



Charles T. Manatt, right, speaking at a news conference Sunday in San Francisco after Walter F. Mondale was forced to back down in his attempt to remove him as the chairman of the Democratic National Committee. At left is Bert Lance, the new overall director of the Mondale campaign. With them is James A. Johnson, the Mondale campaign chairman.

Mondale To Keep Manatt as Party Chief

By David S. Broder
Washington Post Service

SAN FRANCISCO — On the eve of the opening of the Democratic convention, Walter F. Mondale bowed to the demands of Democratic congressional leaders and other party officials and agreed

Ferraro says Reagan's comment "puts down" women. Page 3.

to keep Charles T. Manatt as chairman of the Democratic National Committee through the Nov. 6 election.

Less than 48 hours after Mr. Manatt revealed that Mr. Mondale had told him he was out and that Bert Lance, a Carter administration official, was to become the overall director of the campaign, Mr. Manatt and Mr. Lance faced reporters together Sunday to say that they were a new team.

The Mondale campaign chairman, James A. Johnson, said that Mr. Manatt "has agreed to continue as chairman of the DNC," concentrating on an effort to raise "an unprecedented amount of money."

Mr. Johnson denied that Mr. Mondale had reversed himself on the issue, saying the former vice president "will stick with his position... when we think it is a matter of principle."

But Representative Tony Coelho of California, chairman of the Democratic Congressional Campaign Committee and a principal figure in a five-hour conference that led to the final decision, acknowledged that the strong opposition to Mr. Mondale's appointment of Mr. Lance gave Mr. Coelho the leverage to change Mr. Mondale's mind about Mr. Manatt.

"The fact was that Manatt had a lot of support in the financial community and in the Democratic Party structure throughout the country," Mr. Coelho said, adding that "we didn't want to sacrifice that support."

The dispute over the party and campaign leadership had threatened to ruin the opening of the convention, Mr. Coelho said. He said that Mr. Manatt had been the director of the Office of Budget and Management in 1977 when two of his Georgia banks were under Senate investigation. He was later cleared of charges of bank fraud and conspiracy.

Meanwhile, San Francisco took on the look of a convention city as (Continued on Page 2, Col. 5)



Ships and trucks idled at the Dover Eastern Docks.

British Dockers Close Freight Traffic in Dover

The Associated Press

LONDON — British dockworkers expanded their strike Monday to include freight traffic through Dover but decided to continue handling passenger ferries to the Continent.

The move saved the vacation plans of thousands of European travelers at the height of the holiday season.

Prime Minister Margaret Thatcher's government vowed to take all necessary actions to keep the economy moving but indicated it was too soon to talk of declaring a state of emergency or calling out the army to run the docks.

The stoppage, which began last Tuesday, has already stranded three-quarters of Britain's import and export goods.

Both sides in the dispute, an outgrowth of the four-month miners' strike, accepted an invitation by the Advisory, Conciliation and Arbitration Service, an independent organization, to join in a new mediation effort.

The Transport and General Workers' Union, representing 35,000 dockworkers, and the National Association of Port Employers were to meet separately with the arbitration officials.

Ununionized dockers at Dover voted to close the port to freight traffic at 6 P.M., adding it to the list of about 90 ports where freighters are standing idle. But the longshoremen agreed to continue handling passenger ferries. Over the weekend, thousands of European travelers had feared that their holidays would be disrupted by a stoppage.

Mrs. Thatcher held a 90-minute meeting with her top cabinet advisers to discuss options for dealing with the strike.

Afterward, Transport Secretary Nicholas Ridley told the House of Commons that the Conservative government "will take all necessary precautions and actions to protect the economic life of the country."

But Employment Secretary Thomas King dismissed reports that the government was considering declaring a state of emergency.

"There is absolutely no question of that being on the cards in any imminent sense at all," he said in a radio interview.

The British Broadcasting Corp. and the Press Association, the domestic news agency, quoted government sources as saying there were "no imminent plans" to invoke emergency powers or bring in the troops.

The stoppages are widely seen as

Lance Decision Backfires on Mondale

Party's Confidence in His Political Judgment Is Shaken

By Howell Raines
New York Times Service

SAN FRANCISCO — For weeks, Walter F. Mondale's overall campaign strategy has called for using the Democratic National Convention that opened Monday to focus the attention of the delegates on the need for party unity and that of the nation on the themes of the election campaign.

But with his rapid-fire decisions to pick a woman as his running mate and to elevate Bert Lance to a position of leadership, along with his abortive effort to remove Charles T. Manatt as party chairman, Mr. Mondale has indeed riveted attention on the question of his own political judgment.

Respect for Mr. Mondale's acumen and daring soared with the announcement Thursday that he had chosen Representative Geraldine A. Ferraro of New York as his running mate. But the former vice president's decision to tap Mr. Lance, the Georgia party chairman, as general chairman of the Mondale-Ferraro campaign dismayed key Mondale supporters and shook their confidence in the campaign's sense of political timing.

The weekend of maneuvering reached a conclusion that some politicians saw as embarrassing late Sunday afternoon when Mr. Mondale, forced to back down by an outpouring of protests from party

leaders, abandoned his effort to make Mr. Manatt step down as chairman of the Democratic National Committee.

"This campaign has displayed an amazing ability to accentuate the negative," Robert S. Strauss, a former chairman of the Democratic National Committee, said Sunday in a response that was typical of those among party leaders.

The question of why Mr. Mondale, without consulting his main

supporters in organized labor, Congress and the party, moved against Mr. Manatt and turned command of his campaign over to Mr. Lance, was heard at every hand on Sunday.

Mr. Lance resigned as director of the Office of Management and Budget in 1977 after an investigation of his personal finances but was later acquitted of charges of bank fraud.

Top Mondale advisers said the decision to appoint Mr. Lance had been made with full knowledge that the choice would not be popular. But Mondale advisers felt that the appeal of the Mondale-Ferraro ticket had to be shored up in the South before the start of the general election campaign.

Also, advisers said that Mr. Mondale believed he needed to make a dramatic gesture, like the

NEWS ANALYSIS

East German Author Thrives on Conflicts

By James M. Markham
New York Times Service

BERLIN — Thanks to the U.S. Freedom of Information Act, Stefan Heym of East Berlin recently received an envelope containing copies of a file that the Federal Bureau of Investigation kept on him during the anti-Communist fervor of the McCarthy years.

The 71-year-old German novelist, who left the United States in 1952, was amused to discover that the FBI had listed him as a member of a panoply of Communist-front organizations that, he said, he had not even known existed.

"Really, I was listed in every good book," the writer said, relaxing on his sunny terrace in blue jeans and jogging shoes.

The recollection of distant harassment in America, the adopted homeland he later abandoned, led inevitably to a consideration of Mr. Heym's difficult situation in East Germany, where he has not been allowed to publish for a decade. He lives here as a privileged dissident, too important to be openly persecuted but too prickly and unorthodox to be officially embraced.

These days there are no secret policemen outside Mr. Heym's big gray stucco villa on Rabin-dramath-Tage-Strasse, a byway winding through a leafy glen on the fringes of East Berlin. But the novelist says he assumes that he has a "bigger file" in East Germany than in the United States, where he had sought refuge from the Nazis.

"So," he said with an elfin grin, "having been the subject of the research of two police apparatuses, I feel I must have been one of the more effective writers. It's a kind of literary prize not everybody's getting."

With his latest novel, "Schwarzenberg," Mr. Heym seems to have poked into what Germans call "Zeitgeist," or "spirit of the



Stefan Heym, the novelist, has been a target of harassment in both East and West.

Western Nations Tighten Nuclear Export Controls

By Leslie H. Gelb
New York Times Service

WASHINGTON — Western countries that supply nuclear technology met in Luxembourg last week and decided to strengthen controls on nuclear exports, according to Reagan administration officials.

The officials said the suppliers agreed that they had to do more to prevent the spread of the ability to build nuclear weapons. They agreed to expand safeguards on existing plants, press new suppliers to tighten sales and control transfers of components.

The meeting, arranged at the initiative of the Reagan administration, began Wednesday and concluded Friday, the officials said.

The participants decided to keep the meeting secret to avoid allegations, as an administration official put it, "of the big guys ganging up on the little ones" to dictate terms for nuclear cooperation.

The Luxembourg gathering was the first meeting since 1977 of most of the 15 members of the so-called Nuclear Suppliers Club. That they were willing to meet at all, despite

sensitivities of many nations buying nuclear technology, reflects the heightened political concern over the spread of nuclear weapons, the officials said.

The Soviet Union and other East European members of the group, which first met in 1974, were not invited. Officials said Western participants wanted to develop a common position first.

Of immediate concern to the participants, officials said, was Pakistan's growing ability in the nuclear field and indications that Belgium is preparing to provide Libya with nuclear training and technology.

The push for the meeting also signals the increasing influence within the Reagan administration of those who want a tougher policy against the spread of nuclear weapons as against those who favor U.S. development and sales of commercial nuclear power and fuel.

Reagan administration policy in this area has been regularly attacked as inadequate by the Nuclear Control Institute and other like-minded organizations. They issued a report last week maintaining that while more safeguards and export controls are important, they are not enough. They called for renouncing the production and use of weapons-grade plutonium and uranium and reduced reliance on nuclear power.

Of the Luxembourg meeting, an administration official said: "We are very encouraged by the seriousness of the discussions, the willingness to do follow-on work by specific countries, and the commitment to have another session."

Officials also said there was not a lot of the usual haggling over the need to be reliable nuclear suppliers in order not to jeopardize business interests. This seems to stem from both greater sensitivity toward the spread of nuclear weapons and decreasing interest in nuclear power as an energy source.

Of the original 15 members of the Nuclear Suppliers Club, 11 attended. They were Belgium, Canada, France, West Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, Britain and the United States. Australia, which had been an observer, was added.

By mutual agreement, the Soviet Union, Czechoslovakia, East Germany and Poland, which are all members of the group, were not invited. The Soviet Union has traditionally taken a stance against the spread of nuclear weapons at least as tough as the United States.

At its last meeting in September 1977, the Nuclear Suppliers Club prepared a set of guidelines for nuclear transfers and a list of equipment, technology and material to be governed with special care.

Officials said, however, that a general meeting seemed appropriate because of a growing realization among suppliers that new common problems were developing.

First, new countries such as Brazil and China have become suppliers. Discussions in Luxembourg dealt with how to approach them.

Second, countries with a potential for building nuclear weapons have been able to circumvent existing guidelines and the lists of sensitive technology by buying components, subcomponents and dual-use technology for the production of weapons-grade nuclear material. These are far harder to keep track of than whole plants for nuclear enrichment and reprocessing of nuclear fuel.

Third, the continued movement of countries such as Pakistan toward a nuclear weapons capability reinforced the need to strengthen and expand standards on existing nuclear facilities.

Reagan Qualifies Efforts For Warmer Soviet Ties

United Press International

WASHINGTON — President Ronald Reagan, qualifying his attempts to improve relations with the Soviet Union, said Monday that his administration "dare not" and "will never" overlook human rights abuses in its search for peace.

Marking the start of Captive Nations Week, Mr. Reagan spoke at a White House ceremony and demanded a full accounting on the case of a Soviet dissident, Andrei D. Sakharov, and his wife, Yelena G. Bonner.

"Yes, we stand for peace," Mr. Reagan said. "But we stand for peace with freedom and for peace with dignity."

President Reagan, who has spent much of the year urging Moscow to return to the arms control talks, spoke to a group that included immigrants who he said had "seen and suffered the full gamut of totalitarianism."

Conscious of accusations that his administration has applied its criticism of human rights abuses abroad in a selective manner guided by ideology, Mr. Reagan declared: "We must and will condemn all tyrants who deny their citizens human rights, whether they be dictators of the left or the right."

However, he reserved his sharpest rhetoric for a denunciation of "Communist totalitarianism" as "the single greatest challenge to human rights in the world today" in a plea on behalf of Mr. Sakharov and his wife.

"The world demands to know the fate of these two good and courageous people," President Reagan said. "To those who believe our policy must always be willful ignorance of ugly truths, must be silence in the face of prosecution and appeasement or surrender to aggression, I say no."

"That price is far too steep and we dare not and will never pay it," Mr. Reagan also used the occasion to reaffirm U.S. support for Afghan rebels reportedly receiving aid from the CIA in their fight against Soviet forces and to renew his request for additional support for CIA-backed Nicaraguan rebels.

President Reagan still hopes that U.S.-Soviet talks on space weapons will begin in September despite reports that he had offered to postpone them until after the U.S. presidential election, administration officials told Reuters in Washington.

But some officials said that significant differences remained between the U.S. and Soviet positions on the talks and that at least some of these would have to be resolved before the meeting could be firmly scheduled.

The White House spokesman, Larry A. Speakes, on Monday disputed reports suggesting that the administration wanted to delay the talks until after the presidential elections on Nov. 6.

"The president has not proposed delaying the talks," Mr. Speakes said. "We have proposed meeting in September. Our acceptance was for September."

But he added: "We are prepared to meet at a mutually convenient time."

New Zealand Winner Charges Foe Starts 'Constitutional Crisis'

By Don Oberdorfer
Washington Post Service

WELLINGTON, New Zealand — The political transition in New Zealand took bizarre twists Monday as the newly elected national leader declared that the country was in a "constitutional crisis" and the visiting foreign minister of Australia envisaged an abrupt challenge to New Zealand's military pact with the United States.

The U.S. secretary of state, George P. Shultz, who arrived Sunday, appeared to be keeping a deliberately low profile. But his effort to preserve the military alliance of Australia, New Zealand and the United States, ANZUS, inevitably was affected by the political storm.

The "constitutional crisis" started when Prime Minister Robert Muldoon, a conservative who lost Saturday's national election by a wide margin, charged in a national television interview that the winner of the election, David Lange, the Labor Party leader, had refused to join him to end pressure on the

New Zealand dollar. The New Zealand central bank halted foreign exchange transactions Sunday to stem a huge outflow of funds.

Mr. Lange, in a separate interview, accused the prime minister of refusing to accept the election results and of falsely describing the return of the Treasury and Reserve Bank.

"We have now reached the point where there is a constitutional crisis," said Mr. Lange, who is expected to take office in about two weeks.

The Australian foreign minister, William Hayden, meanwhile, said that both he and Mr. Shultz will challenge the Labor prime minister-designate on the nuclear issue on behalf of the ANZUS military alliance.

The United States, particularly, is disturbed by the Labor Party's stand that no nuclear-powered or nuclear-armed ships can enter New Zealand waters or ports.

According to aides, Mr. Shultz has decided to postpone any confrontation on the issue with the

incoming Labor government in the hope that Mr. Lange will water down or discard Labor's anti-nuclear position in the next several months.

Mr. Shultz has made only vague and indirect statements on the issue, but Mr. Hayden said that he and Mr. Shultz would carry blunt messages to Mr. Lange in meetings scheduled for Tuesday. On the issue of port calls by nuclear vessels, Mr. Hayden said, "No ships means no treaty" by ANZUS.

A State Department spokesman denied that Mr. Shultz intended to say anything so provocative in his meeting with Mr. Lange, but he did not deny that the issue will be vital to the United States-New Zealand alliance.

Emphasizing that the United States does not desire an early confrontation, the spokesman said that there were no plans for any U.S. warships to visit New Zealand again before the end of the year. This would provide time for negotiations.

Only seven U.S. warships, including three that are nuclear-powered, visited New Zealand in the past 12 months, according to the U.S. Embassy. This suggests that the U.S. insistence on access to New Zealand ports is more a matter of principle and precedent in alliance relations than one of operations.

Senior Labor Party figures made it increasingly clear that the party's anti-nuclear policy is a long-standing matter of deep principle that cannot be easily changed or discarded.

A former Labor Party leader, Wallace E. Rowling, who was party spokesman on foreign affairs until his retirement from Parliament last week, suggested in a telephone interview that only the outbreak of war could change the party's refusal to permit nuclear-powered or nuclear-armed warships in New Zealand.

Bank Officials Brief Lange
Top Reserve Bank officials went to Auckland on Monday to brief Mr. Lange and his cabinet members

on the economic situation and the pressure on the currency.

Mr. Muldoon, in an interview, said he had given Mr. Lange advice that would have solved the problem of pressure on the currency.

Mr. Lange said he had accepted the advice.

Polish Group Is Proposing an Amnesty

Compiled by Our Staff From Dispatches
WARSAW — An organization with strong ties to the government called on the Polish parliament Monday to declare an amnesty for political prisoners, the state-run press agency reported.

The organization is a semi-official group called the National Council of the Patriotic Movement for National Rebirth. A spokesman said it favored "creating an opportunity to return to normal life for all those people who got involved in activity incompatible with the interests of the socialist state."

The statement, coming from an officially sanctioned group, indicates

that the authorities are prepared to grant some form of amnesty in connection with Sunday's national holiday marking the 40th anniversary of the proclamation of Communist rule.

Marian Orzechowski, a leading Communist Party member and the secretary-general of the group, said that the president put a proposal before all members of the council to address a motion to the Sejm, or parliament, on "a broad amnesty toward those people who committed political crimes and offenses."

The amnesty call coincided with the acquittal Monday of two policemen charged in the beating death of a Solidarity supporter.

Two ambulance drivers were convicted of negligence in the case. The death of Gregorz Przemyk, 19, after he was picked up by police for disorderly conduct May 12, 1983, caused public protests against methods police have used to crush the labor union, Solidarity. His funeral drew an estimated 20,000 mourners in a peaceful protest against police brutality.

The ambulance attendants who drove Mr. Przemyk from the police station to a medical clinic after his detention were convicted of endangering the life of a person under their charge. One was sentenced to two years in jail, the other to two and a half years.

The Polish authorities are rumored to have been considering an amnesty for some of the estimated 600 political prisoners in Polish jails to coincide with the anniversary of Communist rule. But Mr. Orzechowski's call marked the first official mention of the idea.

It was not known how many political prisoners an eventual amnesty might cover, but some observers said authorities had deliberately begun a crackdown on their harsh critics to single out prime offenders before the anniversary.

On Monday, authorities in the northern seaport of Gdansk accused the Rev. Henryk Jankowski, who is the parish priest of Lech Walesa, the Solidarity leader, of anti-state activities.

Solidarity sources said Father Jankowski's car was surrounded by supporters who chanted "long live Solidarity" as he drove to the prosecutor's office. He spent three hours there.

They said Father Jankowski had been charged with giving sermons that incited public unrest. Solidarity sources also said the authorities Saturday began the trial of Andrzej Slowik, a former Solidarity leader in the town of Lodz. He has been in jail since December 1981.

They said Mr. Slowik had been charged with insulting a prison director, and that proceedings had been adjourned until Wednesday because of Mr. Slowik's poor health. They said he had been on a hunger strike to protest his treatment in prison.

On Wednesday, the authorities are scheduled to continue a trial against four prominent dissidents who helped to form Solidarity in 1980. They are Jacek Kuron, Adam Michnik, Henryk Wujec and Zbigniew Romaszewski. Their trial on charges of trying to overthrow the state by force opened Saturday.

Also on Saturday, officials announced the trials of another pro-Solidarity priest, the Rev. Jerzy Popieluszko, for preaching against the state, and Matej Bednarekiewicz, a lawyer who once defended Solidarity activists on charges of stealing secret police information.

Officials have also announced the trial of a prominent writer, Marek Nowakowski, on charges of publishing articles critical of Poland's martial law regime in the West.



Disputed Soviet truck parked near Geneva embassy.

Swiss Drop Demand to See Contents Of Soviet Truck Sent to Embassy

United Press International

GENEVA — The Swiss authorities Monday dropped a demand to inspect the contents of a Soviet truck headed for the Kremlin's embassy in Geneva on condition that they get a detailed inventory of its contents.

The nine-ton truck was held up at the Swiss border last week as it was arriving from Moscow. A Soviet official aboard the truck refused to allow inspection by customs agents on the ground that the seven tons of freight constituted diplomatic baggage.

Swiss officials, saying that such a large shipment could not be considered diplomatic, sealed the rear of the truck and accompanied it to the Soviet diplomatic mission in Geneva. The vehicle remained unopened pending negotiations.

Soviet diplomats first said the contents comprised office equipment such as typewriters for a new office building.

The Swiss government argued that the shipment could not come under terms of the Vienna Convention on diplomatic baggage. But Monday evening, it changed its mind, saying that the truck could be unloaded if the Russians provided a detailed list of the cargo.

If and when the Soviet envoys comply, a Foreign Ministry spokesman said, Swiss customs officials will break the seal on the rear doors without insisting on an inspection.

Berlin Author Thrives on Conflict

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times." The book, a best-seller in West Germany, recounts the eight-week lifespan of a tiny autonomous republic that took root on a slice of Germany at the end of World War II.

Schwarzenberg is a mountainous zone on the Czechoslovak frontier that by chance is left unoccupied by the advancing Russian and U.S. armies. The citizens create an action committee of Communists and Social Democrats who bring into being something rather like democratic socialism, a longstanding dream.

The miniature Schwarzenberg Republic, though, is betrayed by an East German Communist and then occupied by the Russians, who covet its rich uranium deposits.

As a fable, "Schwarzenberg" catches the yearning of out-of-power intellectuals in both Germanys for a neutral, unified nation that would steer clear of the United States and the Soviet Union.

"Let us not forget," writes Mr. Heym, "that in the history of Germany it has never been possible to achieve a revolutionary victory based on our indigenous strength, and that all attempts to do this have always ended in death on their own blood. So our little Schwarzenberg revolution, small and shabby as it might appear, nonetheless set a precedent and perhaps could serve as a modest example for future attempts."

Mr. Heym was born at Chemnitz, in the Erzgebirge near Dresden, and fled to Czechoslovakia in 1933. In 1935 he was admitted to the University of Chicago on a graduate scholarship for Nazi refugees. In 1942, he published "Hosetages," about Prague under Nazi occupation, and went into the U.S. Army in 1944.

After moving to East Germany in 1952, Mr. Heym made no effort to renew his U.S. passport.

He maintains that "Schwarzenberg" is realistic.

"From the beginning to the end it is true," said Mr. Heym, who said he had first heard about the

Schwarzenberg Action Committee in the late 1970s.

The novelist admitted to poetic license in embroidering detail and amalgamating characters. But he said the basic story of the book rested on his own research in the mountain region known as Erzgebirge and an obscure master's degree thesis by an East German.

"This was forgotten for a very good reason, because it did not belong to the history of the G.D.R.," said Mr. Heym, employing the initials for the German Democratic Republic.

Mr. Heym said that when he embarked on the novel, he had no inkling that its appearance would coincide with an extraordinary diplomatic coup between the two Germanys.

"Also I could not see that the new rockets in East and West would act as a unifying force, because the two German populations found themselves in the same boat."

"I don't think that in the future we'll have anything like a united Germany," he said. "That's not in the cards. But the two Germanys coming together could prevent a war. That's geography."

While out of favor with the East German authorities, Mr. Heym has made it clear to them that he has no intention of following a distinguished group of East German writers into exile across the Berlin Wall. He is permitted to travel to West Germany for readings, lectures and television appearances.

Eight years ago he was fined 9,000 East German marks (about \$3,200 at the present official rate) for publishing his novel "Collin" in the West. A subsequent law stipulated a five-year prison penalty for similar "currency regulation" offenses.

"Of course I have taken the risk and the government has decided not to prosecute, which I think is wise of them," he said. "But they might have been wiser if they had not passed such a law."

Never a member of the Communist Party, he likens his own talent to a match that has flickered into flame on the rough surfaces of East Germany.

"The conflicts here have fructified my work," he said.

"As long as I can go on publishing elsewhere, I see no reason to leave the territory where I have my striking place."

Like the doomed idealists of Schwarzenberg, the author upholds the ideal of democratic socialism. He contends that in Eastern Europe some kind of evolution to democratic socialism is "on the agenda of history."

"I don't think that socialism was created with the idea of concentration camps and gulags and the kind of censorship we have," he said.

"This is not socialism," he said. "But we have seen in the countries that call themselves socialist the most terrible kind of injustice. And I think that all decent people will have to get up and fight against this."

Smoking Cocaine Damages Lungs, U.S. Doctor Says

Washington Post Service

WASHINGTON — The growing epidemic of smoking cocaine — known as "free-basing" — is gravely damaging many of its users' lungs, according to Dr. Sidney Schmitt, chief of the chemical dependency program at Northwestern Memorial Hospital in Chicago.

In a seminar last week sponsored by the Alcohol, Drug Abuse and Mental Health Administration, Dr. Schmitt called free-basing "the most serious medical problem" so far linked to cocaine. "Free-base" cocaine use has become a major health hazard, he said.

Dr. Schmitt said lung tests show that some users suffer "significant" ability to diffuse fresh oxygen and rid the lungs of carbon monoxide, an affliction somewhat akin to pulmonary emphysema. He said he did not know whether the lungs would recover.

In 1982, according to the National Institute on Drug Abuse, four million Americans were regular users of cocaine; the drug had been used by 4.1 percent of youths aged 12 to 17, by 18.8 percent of those 18 to 25 and by 3.8 percent of those over 25.

France, Germany Officially End Border Checks for Citizens in EC

Reuters

SAARBRUCKEN, West Germany — France and West Germany took a first official step Monday toward making a Europe without frontiers.

An accord signed last week ending border formalities for European Community citizens crossing between France and West Germany went into effect here and at 31 other crossing points Monday on the border between the two countries. Their aim is to end all border formalities by 1986.

Friday, after the accord was signed, customs agents began dropping border formalities, and on Monday travelers drove at walking pace across the frontier at Saarbrücken without stopping for the usual checks. Only the occasional car displayed a green sticker to signal it was carrying citizens of the European Community with nothing to declare.

Border officials were still using spot checks on passing vehicles. Andreas Fischer, deputy chief of West German border police in Saarbrücken, said liberalization would probably mean that there would be "small loopholes in the security network," allowing some drugs smugglers, illegal immigrants and wanted criminals to slip through.

For most travelers the new regulations mean they can cross from one country to the other almost as if no border existed. A West German government spokesman, Peter Boenisch, told a press conference in Bonn that formalities had also been dropped for travelers crossing into Belgium from West Germany.

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Mondale, in Switch, Keeps Manatt in Job

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thousands of Democrats, including former President Jimmy Carter, moved into their hotels on Sunday.

Mr. Mondale spent the weekend at his temporary Lake Tahoe retreat, working on the acceptance speech he plans to deliver Thursday evening. His rivals for the nomination, Senator Gary Hart and the Rev. Jesse L. Jackson, talked by telephone with Mr. Mondale about their remaining differences on the party platform and prepared for their own convention appearances.

Mr. Jackson met on Monday morning with Mr. Lance in what was described as a new party unity effort by the Mondale camp.

Mr. Mondale and Representative Geraldine A. Ferraro, the New York Democrat who is his choice as running mate, arrived in San Francisco on Monday afternoon. In the evening, the attention was to switch to the Moscone Center, where Mr. Carter and the convention keynote speaker, Governor Mario M. Cuomo of New York, were to start the week of oratory.

Mr. Carter said Sunday that his speech would last 10 minutes, adding with a grin, "not counting the wild and emotional and enthusiastic response."

In an interview on Sunday, Mr. Carter warned President Ronald Reagan not to try to use the Iranian hostage crisis against Mr. Mondale. United Press International reported. Otherwise, he said, Mr. Reagan will have to explain his actions in Lebanon.

"To talk about 70 or so hostages, all of whom came back from the Middle East safe and to freedom, on the one hand, compared to the debate in Lebanon when we lost so many people in a useless and ill-advised military venture, I think would not bode well for Reagan," he said in an interview taped for broadcast Monday.

The 444-day Iran hostage crisis has been cited as a key element in Mr. Carter's 1980 loss to Mr. Reagan. More than 250 Americans were killed during 16 months of peace-keeping duty in Beirut, most of them in the terrorist bombing of a Marine barracks.

In another television interview, The Associated Press reported, Rosalynn Carter, the former first lady, confided that she had urged her husband to enter the 1984 Democratic race. The former president was not interested, she said.

The Democrats, meanwhile, tried to contain the damage of the leadership dispute. Mr. Johnson, the campaign manager, said Mr. Mondale's reversal would not cause "any substantial damage to the Mondale campaign." Mr. Coel, who said the dispute probably would have no more than "one day's impact."

But Senator Hart commented that during the campaign "Mondale accused me of not being sure-

footed. I think that may become an issue as far as he's concerned."

Mr. Mondale said Sunday that "I feel confident in the judgment" on Mr. Lance. He noted that Mr. Lance had been cleared of all charges of illegal banking practices and "whose never been a suggestion that he was anything but an excellent public servant. I think that's behind us."

Mr. Carter called the appointment of his longtime friend and political ally "a good decision," and termed the dispute "a tempest in a teapot."

Mr. Ferraro, asked if the Manatt matter could have been handled differently, said:

"It was handled differently. The unfortunate thing is it didn't come out the way it was handled. Chuck Manatt has been a very good chairman. It's not his past record," she said. She added that what Mr. Mondale wanted was "to deal with the political strategy, and that's his doing."

California's attorney general, John Van de Camp, said that he might use his two-minute "official greeting" time on the podium Monday to comment on the affair.

"Maybe I'll just read Bert Lance's indictment," he said.

■ Cuomo Keynote Speech

Frank Lynn and Steven V. Roberts of The New York Times reported from San Francisco.

Governor Cuomo said on Sunday that his keynote speech would not be a "sub-thumper," but would be "a methodical attempt to deal with the issues."

He said that his speech would attempt to answer what he said was the major Republican theme that the economy had recovered and that the nation was "stronger than its enemies."

The governor, as he often does, is likely to make several religious references. He said that Republicans "have wrapped themselves in the mantle of religiosity" and that President Reagan had taken the position that "if you're religious you should be a Republican."

On the eve of the convention, a New York Times poll of the delegates indicated that only 35 percent believed that a ticket headed by Mr. Mondale would carry their home states. Another 35 percent rated the Republicans as the favorite, and 26 percent called the contest a toss-up.

The most optimism was found in large industrial states, where the economy has been slow to recover from the recession.

Tornado Kills 1 in Canada

The Associated Press

BLUE SEA LAKE, Quebec — One person was killed and 38 were injured Sunday when a tornado struck communities in eastern Ontario and western Quebec.

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WORLD BRIEFS

Police Halt March on Sikh Temple

AMRITSAR, India (UPI) — Police arrested 200 Sikhs on Monday, including 150 women, during a march on the Golden Temple in Punjab state.

No injuries were reported in the march, which was called after the collapse Monday evening of negotiations for a withdrawal of troops who seized the temple from Sikh militants in a battle last month.

The marchers were arrested for violating a curfew imposed on Amritsar on Sunday. Among them was the group's leader, Rajinder Kaur, head of the women's branch of the Akali Dal Party.

Cambodian Rebels Report Joint Raid

BANGKOK (AP) — The three resistance groups that formed a coalition two years ago have carried out their first joint operation against Vietnamese troops in Cambodia, one of the groups said Monday.

A broadcast of the Khmer People's National Liberation Front said coalition forces attacked the Vietnamese 813th Battalion in the northwestern province of Battambang last week, killing or wounding 70 Vietnamese. It said Cambodian losses were light.

The other members of the coalition are the Communist Khmer Rouge and followers of Prince Norodom Sihanouk, one-time Cambodian chief of state and nominal head of the tripartite group. The broadcast also claimed that about 14,000 fresh Vietnamese troops have been moved into Cambodia to replace 10,000 who were ceremoniously withdrawn two weeks ago.

Syrians Take Over Lebanese Villages

BEIRUT (UPI) — Syrian troops on Monday took over villages in northern Lebanon where two pro-Syrian militias fought for five days before laying down their arms under pressure from Damascus.

Residents of the region 40 miles (64 kilometers) north of Beirut said the cease-fire was holding despite occasional gunfire between the 1,500-member private army of Suleiman Franjeh, the former Lebanese president, and the 1,000-member militia of the Syrian Nationalist Party.

The artillery, rocket and heavy machine-gun clashes began Wednesday, killed at least 30 people and wounded about 150 others before ending Sunday, the An Nahar newspaper reported. The militiamen allowed Syrian troops to take over their positions after two days of peace talks in Damascus initiated by President Hafez al-Assad of Syria.

Mubarak Is Forming New Cabinet

CAIRO (Combined Dispatches) — President Hosni Mubarak has ordered Kamal Hassan Ali, the acting prime minister, to form a new government, it was announced Monday.

Mr. Ali, 63, had been running a caretaker government since his predecessor, Fuad Mohiaddin, died June 5 of a heart attack. Officials said no major policy changes were expected, although the new cabinet would give priority to Egypt's economic problems.

Officials said that Mr. Ali, who had remained as foreign minister after Mr. Mohiaddin's death, was certain to turn that post over to Esmat Abdel Meguid, Egypt's former ambassador to the United Nations. They said that Butros Butros Ghali, the No. 2 man at the Foreign Ministry, would continue as state minister for foreign affairs. (UPI, Reuters)

Accord on East-Bloc Computer Curb

LONDON (Reuters) — Fourteen NATO countries and Japan are tightening controls on the sale of computers to the Soviet bloc, the last hurdle in a two-year policy review on strategic exports, according to Western officials.

They reported Monday that a "flexible compromise" had been reached at a closed meeting Tuesday in Paris of the 15-nation Western Coordinating Committee on Strategic Exports (COCOM) after months of argument over which smaller computers should be embargoed.

COCOM sources said details of the extended ban would be made known shortly but export controls would now cover various personal and minicomputers as well as types that can withstand battlefield conditions. Officials added that the agreement closed an acrimonious chapter that began when President Ronald Reagan imposed sanctions on European firms in 1982 for supplying equipment for a Soviet gas pipeline.

Bonn Party Says It Won't Yield Post

BONN (Reuters) — The Free Democratic Party, which is trying to keep its share of power in Chancellor Helmut Kohl's government, said Monday it would not concede the deputy chancellorship to Franz Josef Strauss.

Members of Mr. Strauss's Christian Social Union, partners with the Christian Democratic Union and the Free Democrats in the governing coalition, indicated during the weekend that they would press for a cabinet post for him.

"It is imperative that we keep the three ministries and the deputy chancellorship," the general secretary of the Free Democrats, Helmut Haussmann, said in a radio interview. The party leader, Hans-Dietrich Genscher, has been foreign minister and deputy chancellor for the past decade. The Free Democrats also hold the economics and justice portfolios in Mr. Kohl's coalition.

For the Record

Yasser Arafat, chairman of the Palestine Liberation Organization, met Monday with King Hussein of Jordan. Palestinian sources said Mr. Arafat informed the king of his talks in Geneva last week in Geneva with UN Secretary-General Javier Pérez de Cuellar. (AP)

Experts from 40 African countries and their UN counterparts met Monday in Harare, Zimbabwe, for a 10-day forum of the UN Food and Agriculture Organization on how to cope with a three-year drought that has threatened millions of people with starvation. (AP)

Forty people have been arrested during rent riots near the black township of Parys during the past two days, a South African police spokesman said Monday, and four policemen were slightly injured. (Reuters)

The Bulgarian embassy in Tokyo on Monday rejected Japanese government allegations that one of its diplomats had been trying to obtain secret data on Japan's advanced biotechnology. The diplomat left Japan on Sunday. (Reuters)

Igor Andropov, son of the late Soviet leader Yuri Andropov, has been appointed ambassador to Greece, the Athens government confirmed Monday. (NYT)

The U.N. Conference on Trade and Development convened a three-week meeting Monday in Geneva to work out new rules for world shipping aimed at the eventual elimination of flags of convenience. (UPI)

Remains believed to be those of eight Americans killed in the Vietnam war will be turned over to U.S. team in Hanoi on Tuesday. U.S. and Vietnamese officials said Monday. (AP)

Representatives of Spanish airline pilots said Monday they will seek support of their month-long strike for shorter working hours at a meeting in Toronto on Tuesday of the International Federation of Airline Pilots Associations. (Reuters)

Albania informed Greece that three men and two women who drifted to the shores of Albania on Sunday when their speedboat ran out of fuel would be returned to Greece Monday, an Athens government spokesman said. (UPI)

The Soviet Union detonated its seventh and strongest underground nuclear explosion this year at Semipalatinsk in northeastern Kazakhstan on Saturday. Swedish defense experts reported Monday. The explosion was estimated at 100 kilotons, or 50 kilotons below the limit set by the 1973 test ban treaty. (Reuters)

Hospital support workers at 11 nursing homes in New York City walked off the job Monday, joining 30,000 other union members striking 30 hospitals. Officials estimated that about 14,000 hospital patients were affected by the three-day hospital strike. The nursing home walkout affects an additional 4,600 elderly patients. (UPI)

Prime Minister John N. Turner of Canada, who promised when he took office last month that he would seek a Liberal seat in the West, announced Monday that he would contest the Sept. 4 election in the Vancouver Quadra constituency, held by the Progressive Conservative Party for 10 years. (UPI)

Saudi Invitation Reported by Iran

Reuters

TEHRAN — Saudi Arabia has invited Hashemi Rafsanjani, a senior Iranian cleric and speaker of the Iranian parliament, to make the annual Muslim pilgrimage, traditionally held in September, to Islamic shrines at Mecca and Medina.

Mr. Rafsanjani's office confirmed the invitation Monday but said he had neither accepted nor rejected it. If he accepts, Mr. Rafsanjani, a member of the Iranian inner war cabinet, would be the first Tehran leader to visit Saudi Arabia since the Islamic Revolution began in 1979.

Tension between the two countries has grown since the Iran-Iraq war spread to attacks on oil tankers, including Saudi vessels, in the Gulf this year.

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Ferraro Assails Reagan For Views on Women

Says President Doesn't Understand 'Where Women Are Coming From'

By Jay Mathews and Dan Balz
Washington Post Service

SOUTH LAKE TAHOE, California—Representative Geraldine A. Ferraro of New York, the expected Democratic nominee for vice president, says that President Ronald Reagan "really doesn't know where women are coming from" and predicted that doubts about her qualifications will be erased soon because "quite frankly, I think I'm pretty good."

In an interview Sunday, Ms. Ferraro joked about the inconveniences of Secret Service protection and her new staff's difficulty in adjusting to her sense of humor. But she expressed no doubt that she and Walter F. Mondale would defeat Mr. Reagan in the Nov. 6 general election.

As she talked at her small rented house here, Ms. Ferraro appeared relaxed and eager to begin campaigning. She did not shy away from her role as an outspoken leader of the feminist movement.

"To make the comment that a woman was chosen for national office as a token puts down all the women of America," she said in criticizing Mr. Reagan's remarks of last week.

She acknowledged that polls show that many American men have expressed doubt about voting for a woman as vice president. "But," she said, "those men haven't met me."

"In the next three and a half months, people will get to know Geraldine Ferraro. . . . They'll get to know what I've done in the last several years, whether or not they can trust me, and I think that's going to be the answer they have in November."

"I don't think Ronald Reagan really knows where women are coming from to this country," she said, "women who work because they have to. He doesn't understand that."

She predicted that she would be able to reach older women who may view activist feminists as threats to family values. "You can't tell me women in Utah are not worried about their ability to compete on an equal basis when they get out in the work force."

"Quite frankly," she said, "it bothers me when people say, 'I'm pro-family, and therefore I'm not in favor of the women's movement.' . . . That's garbage."

She said her well-publicized role as a professional woman and successful wife and mother would help eliminate misconceptions about feminists, but added that there

were lessons in her life for the many women who raise families alone.

Because of her father's death, she said, "my mother became a single head of household when I was 8 years old. What does my mother know about the Equal Rights Amendment? But she knows what it's like to try to go out and support two kids. We've got to focus on that type of person and not the traditional feminist."

To counter criticism that she lacks the qualifications to be vice president, she asserted that she has "a pretty damn good record." In her three terms in Congress, she said, "I've showed a lot into five and a half years. And I think that's been the pattern of my life. I make the most of what I have, and I'll do that with the vice presidency as well."

"There's no requirement that you have to be in the Senate 'X' number of years or get a masters in Middle East, if there is such a thing. Because if there were, Ronald Reagan wouldn't be president of the United States, nor frankly would Jimmy Carter."

Asked about the White House attack on her statement that Mr. Reagan was not a "good Christian" because of "unfair" budget cuts, Ms. Ferraro expressed irritation at discussing religion in a political campaign. She said she had only been responding to charges that her support for freedom of choice on abortion conflicts with her Roman Catholic faith.

She said that she would "prefer not to discuss" religion but that "if you don't want to discuss whether or not his budget policies are in the Christian tradition, don't discuss whether my pro-choice position is in the Catholic tradition."

If they're going to deal with Christianity, they're going to have to deal with it on every issue. They can't just take one issue," she said.

Ms. Ferraro said that, if nominated as expected, she would emphasize in her acceptance speech to the Democratic National Convention on Thursday that her nomination was "just one more historical step."

She acknowledged that moving from a congressional seat to a national campaign is "a big step."

During her years in Congress, and particularly during the last few weeks as chairman of the convention platform committee and a vice presidential possibility, Ms. Ferraro has acquired a reputation as a blunt, often humorous speaker who does not always weigh the political impact of her remarks. She has sometimes also been brusque with the media, overriding staff arrangements.



Walter F. Mondale and Geraldine A. Ferraro at South Lake Tahoe, California, before the opening of the Democratic National Convention on Monday in San Francisco.

Mondale and Ferraro: 'Frisco Designer Label'

Los Angeles Times Service

SAN FRANCISCO — Geraldine A. Ferraro, Walter F. Mondale's choice as running mate, has yet to prove her ability as a national political campaigner. But she has already spawned a cottage industry here, as the Democrats gather for their quadrennial convention.

A table outside a press conference held by the Women's National Political Caucus sagged under the

wears loose-fitting clothes on his scarecrow frame, has a thatch of unruly brown hair sticking out from under his baseball cap and generally sports an amiable grin.

Robert Redford he is not. Nonetheless, he put on a fashion show for reporters Saturday to model the clothes the Hart troops, "in a never-ending search to find out who is who in the Hart campaign," will wear in the heat of the action.

In order of their rank, superwhips will wear white caps emblazoned with Senator Hart's name; floor leaders will sport red caps; whips will have white Hart T-shirts; and state floor leaders will wear red T-shirts. Mere "shepherds," assigned to head the bidding of the superwhips, will sport shiny red, hooded, nylon windbreakers.

Don't worry, Mr. Ridder said, that the temperature in the Moscone Center will approach that in Khartoum at high noon. "We field-tested these," he said, "and the reports were that if you were not wearing anything underneath, it's quite comfortable."

CONVENTION NOTEBOOK

weight of T-shirts, buttons, bumper stickers and banners ballooning the Mondale-Ferraro ticket.

Standing beside it, Judith Meuli, a member of a women's voting coalition, said the items were flown in from Los Angeles two days after Mr. Mondale, the Democratic Party's likely presidential nominee, announced his selection of the New York congresswoman.

Although Mr. Mondale's colors are blue and white, Ms. Meuli noted, the Mondale-Ferraro apparel was in bright green, the official color of the Equal Rights Amendment.

Lee Smith says that delegates do not go to political conventions to nominate presidential candidates. "They go to buy buttons," he said. And the 26-year-old Chicago entrepreneur plans to make a killing.

He is peddling Mondale-Ferraro buttons for \$5, double the official price charged by the two companies that have exclusive contracts from the Democratic National Committee. By week's end, he says, they may go for \$15 — if the two companies don't try to run him out of business.

But as long as he can evade them, Mr. Smith expects to do well. Four years ago in New York, he made \$1,800 after expenses during the Democratic National Convention. "It's not bad," he said. "Some people break rocks for a living."

Senator Pete Wilson of California, a Republican and former mayor of San Diego, will get a chance to put some of his Democratic friends on the spot during the San Francisco convention. He will be a reporter and commentator all week for KPIX television in San Francisco.

"I don't want any snickers when I come to get my press pass," Senator Wilson said. Did he plan to ask Democratic officials any tough questions? "Hey, I've got a lot of friends up here," he replied. "I've gotten party invitations from Chuck Manatt, Alan Cranston and Dianne Feinstein."

Rick Ridder, Senator Gary Hart's convention floor manager,

Reagan Officials Find Deregulation Easy to Proclaim, Hard to Achieve

By Kenneth B. Noble

New York Times Service

WASHINGTON — When President Ronald Reagan sets his reelection campaign in full gear, he is likely to boast of success in slashing federal regulations for once-sheltered industries such as banks and airlines.

But Mr. Reagan's record in "getting government off the backs of the people," as he puts it, has been mixed, especially when it comes to rules that touch on health, safety or the environment.

A case in point is the decision last week by Elizabeth H. Dole, secretary of transportation, requiring air bags or automatic seat belts on all new passenger automobiles sold in the United States within five years.

The air bag decision was one the administration wanted to avoid, some say, because these so-called passive restraints represent an especially intrusive instance of government protecting people from themselves.

"Something like this makes me think, for this we elected Ronald Reagan?" said Walter Olson, associate editor of Regulation, a magazine published by the American Enterprise Institute, a conservative policy research organization. "This is an issue that sticks out like a sore thumb, because there's an element of people being protected against a hazard they knew they were facing."

Democrats and some Republicans have long disagreed with that view. From air bags to drugs to motorcycle helmets, presidents and Congress have held that the law must sometimes protect people from themselves.

"Left to their own devices," said Steven Keltman, associate director of public policy at the Kennedy School of Government, "a lot of people in the Reagan administration would have urged the virtual elimination of all safety and health regulations. But the level of public commitment to these areas is strong enough to have so far restrained the ideologues."

Many authorities now say that political realities have tempered the administration's deregulatory zeal. An example of the mellowing is the Republican Party's demand for the cancellation of the 55 mile-an-hour (90 kilometers-an-hour) national speed limit. Richard M. Nixon signed that fuel-saving standard into law in 1974, during the Arab oil embargo. Federal officials later found that it also saved lives.

Since then, enthusiasm for the limit has waned. Since 1975, when Congress made the temporary limit permanent, each successive legislative session has seen a flurry of bills aimed at repealing it. The administration, however, has backed away from its initial support of repeal.

"It was politically impossible for

them to change it," said Joan Claybrook, who headed the National Highway Traffic Safety Administration during the Carter administration and is now president of Public Citizen, a consumer group.

Administration officials brush aside suggestions that they are accepting a paternalistic role for government. C. Boyden Gray, who as counsel for Vice President George Bush's Regulatory Relief Task Force, insists that the air bag decision, for instance, is an aberration.

"It isn't a classic example of purely private behavior that has no external consequences," he said. "The whole question of highway accidents does put a very heavy burden on medical bills, which all taxpayers have to pay."

However, such decisions have dismayed many conservatives and libertarians who supported Mr. Reagan's efforts to remove government from people's lives.

"I don't think it's any of the government's business to protect people from themselves, whether it's seat belts, cyclamates or marijuana," said David Boaz, vice president of the Cato Institute, which describes itself as a Washington-based libertarian research organization. "It seems to me that for all the rhetoric about getting government off our backs, this has been a very paternalistic administration."

In yet another instance of the administration sallying forth on safety issues, there are indications that the White House is reviewing an Environmental Protection Agency recommendation that would significantly lessen, or perhaps eliminate, the amount of lead refiners may add to gasoline. Such a policy would be a startling reversal of the EPA's intention during the early days of the administration, which was to relax or abolish limits on leaded gas.

Burma Stowaway Accepted by U.S.

The Associated Press

HOUSTON — A Burmese stowaway who had been aboard a Swedish ship since April has been put ashore here to seek asylum in the United States.

The stowaway, Robinson Karen Sogwin, 24, was placed in the custody of U.S. immigration officials in Houston on Sunday after a U.S. district court judge granted his request to seek political asylum because of his involvement in a Burmese revolt.

Mr. Sogwin had been refused entry to several nations after he boarded the M.V. Barber Nara, a container ship, to Singapore in April. Because of the ship's sailing schedule, Mr. Sogwin has never been in a U.S. port long enough for immigration authorities to document his claims, his lawyer said.

Floor Fights Threatened Over Minority Planks

By Milton Coleman and Alison Muscatine

Washington Post Service

SAN FRANCISCO — Supporters of the Rev. Jesse L. Jackson and Senator Gary Hart have toughened their stands on four principal objections to the proposed Democratic Party platform and are threatening floor fights Tuesday that could jeopardize Walter F. Mondale's efforts to firmly control the national convention.

Paul Tully, political director of the Mondale campaign and a chief coordinator of efforts to reach agreement on disputed positions before the convention opened, said he expected close votes on two of the proposals.

One would toughen the party's stated opposition to runoff primaries in 10 Southern states, which Mr. Jackson claims discriminate against women and minority groups. A second would strengthen the party's official stand on affirmative action, a policy that seeks to enlarge the opportunities of minority groups in such areas as jobs and education. The proposal suggests the plank include support for affirmative action goals and timetables, and, possibly, quotas.

Both planks had been advanced by Jackson supporters, and both gained increased support Sunday as Jackson delegates pressed for backing from women, who make up half the convention's delegates, and from many of the 300 black delegates supporting Mr. Mondale and Mr. Hart.

"Whatever team you are with, remember that Jesse won 85 percent of the black vote and 21 percent of the white vote," C. Delores Tucker, a Jackson delegate and former Pennsylvania secretary of state, said at a meeting of the convention's black caucus.

Hart backers also increased the price that Mr. Mondale will have to pay for a unified convention by deciding to press for tougher language on a platform plank setting curbs on the use of U.S. military forces abroad.

Throughout the campaign, Mr. Hart had advocated such prohibitions, particularly in possible conflicts in the Gulf. On Sunday, his strategists added language that would include Central America, a move designed to win support from Jackson backers.

A less intense floor fight is expected on a Jackson plan for sharp reductions in military spending. The fifth minority report on the day's agenda would commit the party to adopt a policy opposing the first use of nuclear weapons in the event of war by the United States. Senator Alan Cranston, of

California, who ran unsuccessfully for the nomination almost solely on the issue of opposition to nuclear weapons, asked Sunday for changes in the wording of the "first-use" plank, but the changes were not expected to increase the dispute over it.

Mr. Mondale, Mr. Jackson and Mr. Hart have maintained that there were no deeply divisive issues among their supporters. That appeared to be the case last month when agreements were reached to avoid any credentials or rules debates when the convention considers those two issues Monday night. Mondale supporters, who controlled the platform committee under the chairmanship of Representative Geraldine A. Ferraro, of New York, agreed to allow the five minority reports to come to the floor.

Saturday night, Hart strategists decided to wage a floor fight on the Gulf plank.

The Hart campaign's decision appeared to be based on a desire to make the platform more distinct from President Ronald Reagan's policies and to gain an issue around which to rally Mr. Hart's 1,249 delegates.

At one point last week, an agreement appeared near on the affirmative action plank that would include support for goals and timetables, but not the more controversial remedy of quotas.

In the last few days, however, Jackson supporters have linked an affirmative action plank compromise to other issues, including additional floor passes and speaking time, and national party positions for their supporters, Mr. Tully said.

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Herald Tribune

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Insure and Rate the Banks

The domestic banking crisis is over. Quick, effective intervention by federal regulators helped Continental Illinois retain the deposits it needed to keep its doors open. With luck, a merger partner for the big Chicago bank may yet be found, allowing it to avoid liquidation.

But more was at stake than the fate of one bank that made bad loans to Texas wildcaters. To prevent the run on Continental from spreading to other "money center" banks, regulators were forced to guarantee tens of billions of dollars in Continental deposits that were not FDIC-insured. The regulators also face the problem of reconciling this total rescue with their equally commendable desire to have the marketplace punish the owners of poorly managed banks. That task may not be as difficult as it first appears.

To meet unexpected withdrawals by panicky depositors, banks may borrow from the Federal Reserve. When assets exceed liabilities, the Fed's capacity to create credit easily eases the crisis. But when a bank still fails to cope, the Federal Deposit Insurance Corporation steps in. The failing bank is liquidated, or merged with a partner protected from losses with a cash boost from FDIC reserves.

Starting in 1982, the FDIC decided to go by the book in this routine. It vowed to honor all insured obligations, up to \$100,000 per depositor, but greater amounts would be protected. Now the regulators seem to have been bluffing. They did allow some small banks to fail, at considerable cost to their large depos-

itors. But when the run on Continental threatened to spread to New York and San Francisco, the agency felt compelled to guarantee every depositor up to any amount.

A deposit insurance system that permits small banks to fail while saving the big ones is neither fair nor efficient. And since depositors can never be sure which banks Washington will consider too important to let fail, it is also an unstable system. Is there an alternative?

One would be to extend FDIC insurance to the total \$700 billion in deposits that is not now covered, and to pay the cost from premiums charged to all banks. But that alone would let mismanaged banks escape all responsibility. The way around this is to abandon the present practice of charging the same insurance premium for every deposited dollar. If premiums varied, depending on some objective measure of a bank's riskiness, banks would become liable for poor-quality loans but without damaging public confidence.

That stick could be matched by a carrot. Banks willing to increase their capital by selling uninsured long-term bonds or preferred stock could be rewarded with lower premiums.

There is time to plan for such a change. No harm is likely if Congress delays reform of the deposit insurance system until next year. It would be wasting an opportunity if it only expands insurance coverage and tightens control over bank lending. Clever bank regulation could improve both safety and efficiency.

— THE NEW YORK TIMES

When Castro Tries Talks

Last spring Fidel Castro announced with a flourish that it would take a "total change" in the U.S. outlook for any improvement of U.S.-Cuban relations to come about. There has been no such change, but meanwhile he is taking a more modest and promising tack. Quietly Mr. Castro has just sent a high-level delegation to New York to discuss immigration matters with U.S. officials. Plans for these negotiations, the Reagan administration's first with Havana, were on the slow track until Jesse Jackson visited Cuba last month and pushed them onto a faster one.

Apart from the handful of prisoners Mr. Castro presented to Mr. Jackson, few Cubans have crossed the water since the Castro government slipped large numbers of criminals and mental patients into the group of people allowed to leave from the port of Mariel in 1980. That was a cynical stroke, and two U.S. presidents have since demanded that Cuba take back those of the Mariel emigrants who could not be absorbed into U.S. society. This is a just demand, but making it a condition for taking up other immigration questions has had

the effect of holding up the departure of thousands of Cubans whom Havana is ready to let go. This is the first knot that the new talks will have to untie if the United States is to fulfill its historical role as refuge and if Cuba is to regain its use of emigration as a safety valve.

The ahiding larger subject of concern is that, 25 years after Fidel Castro took power, Cuba remains substantially isolated from most of its neighbors and unnaturally dependent on an alien power, the Soviet Union. In the 1970s, Republican and Democratic presidents tried to break the long pattern of mutual hostility by broadening and improving ties. Mr. Castro responded with a major spurt of interventionism in Africa and Central America. His perennial and seemingly reasonable insistence that Washington "accept" the Cuban revolution still appears to center on a demand that Americans endorse his claim to send his troops, advisers or arms to any place he pleases.

This larger difficulty should not keep the United States from doing whatever it can on a more limited basis to improve ties with Cuba.

— THE WASHINGTON POST

Queries to an Ambassador

The case of U.S. Ambassador to the Vatican, William A. Wilson, a political appointee and close friend of President Reagan, becomes more complicated. Why and to what extent did he become personally involved in two criminal investigations involving financial fraud? Why was he given an exception to the general rule that ambassadors must resign corporate directorships when they assume office?

On two occasions, Mr. Wilson tried to obtain information from high officials of the U.S. Justice Department about a rumored investigation of Archbishop Paul Marcinkus. The archbishop, American-born head of the Vatican bank, is under investigation in Italy in connection with the collapse of one of that country's largest banks, and is said by sources in the U.S. government to be the subject of inquiries concerning a money-laundering scheme. The initial request on behalf of the archbishop drew a strong letter from a Justice Department official, who counseled that such intervention in a criminal matter was "inappropriate" — whether it came while Mr. Wilson served as the president's unpaid personal representative to the Vatican or after he was confirmed as ambassador in March.

Mr. Wilson also tried to arrange a personal meeting between Attorney General William French Smith and Archbishop Marcinkus in Rome. The attorney general wisely limited it to a quick exchange of pleasantries. Why would

Mr. Wilson do this after having been warned that his conduct was out of bounds?

Mr. Wilson intervened with the Swiss government in the case of an American fugitive, a commodities trader indicted in America's largest tax evasion case. The State Department had urged Mr. Wilson not to get involved.

Then there is the matter of corporate directorships. State Department regulations require ambassadors to relinquish these private positions except in extraordinary circumstances. Mr. Wilson was granted an exception — the Senate Foreign Relations Committee was advised of it before he was confirmed — allowing him to continue to serve on two boards, even though he does not appear to qualify on any of the three grounds listed in the regulations. The State Department could cite no other ambassador given this privilege. Mr. Wilson is now said to have resigned from one directorship and to accept no fees from the other.

Mr. Wilson is no longer a private citizen. He is a public servant with an obligation to avoid even the appearance of impropriety. Does he realize how very unwise it is for an ambassador to get involved in a criminal investigation? Does he comprehend the possibility of conflict of interest when an employee of the government continues to hold a high position in a private corporation? Does he intend to offer an explanation of his conduct?

— THE WASHINGTON POST

Other Opinion

Toward a Labor Edge in Israel

What do you think will happen in the election? It's impossible to say with certainty. Former Prime Minister Menachem Begin has tremendous prestige among many voters. If he is persuaded to join the Likud campaign, that would have an impact. But if nothing similarly dramatic happens, it is safe to assume that the

gap will continue to diminish, and when the votes are counted, Labor will be only a few seats ahead of the Likud. Given this scenario, coalition making would be difficult for either party. But the Labor Party would have a better chance to succeed than the Likud.

— HANCOCK SMITH, the Israeli pollster and political analyst, in an interview in Newsweek.

FROM OUR JULY 17 PAGES, 75 AND 50 YEARS AGO

1909: Crown Prince Is Named Shah

TEHRAN — The Shah has just taken refuge in the Russian Legation. The British and Russian Ministers have informed the Revolutionary chiefs of the fact. The Crown Prince, Ahmed Mirza, has been proclaimed shah by a National Assembly composed of notables, the principal priests and the Nationalist military chiefs. The victory for the Nationalists is complete. Colonel Liskoff, who had consented to begin negotiations with the insurgents, went to the Majlis Palace [on July 16] to announce that he had decided to cease all resistance. Peace was at once concluded between the two parties, and it was decided that the brigade of Persian Cossacks will still be maintained.

1934: France Said to Harass Trotsky

MEXICO CITY — The executive committee of the "Marxist-Leninist Study Dissemination Association," of which Diego Rivera, prominent Mexican artist, is a member, passed a resolution [on July 15] demanding that the "French Embassy take immediate steps to give absolute freedom to Leon Trotsky in France." The resolution was made simultaneously with a request to the Mexican government to grant the exiled revolutionary leader permission to reside in Mexico. Strong criticism of France's treatment of Trotsky is contained in the resolution, which declares that France has not allowed Trotsky to remain in the same place for more than seventy-two hours.

For Japan, the Days of Resignation To Second-Class Status Are Over

By William Chapman
This is the second of two articles.

TOKYO — Like war guilt, the old Japanese sense of inferiority with regard to Western political institutions is being reappraised.

The postwar rush to emulate Western politics is giving way to a reverse contention that there is nothing more to be learned. A book published four years ago with the modest title "Japan: A Super-Developed Country" contends that Japan's system is the world's best and that the world can best learn from it.

The author, Professor Yatsushiro Nakagawa of Tsukuba University, argues that Japan's welfare system is the best, that its judiciary is the most independent, that only Japan has solved the problem of separating church from state and that its achievement in decentralizing government should be the envy of the world. Japan, he concludes, is the world's "most democratic and politically advanced country."

The most far-reaching introspection, however, is found in the flood of writings about the Japanese character and its supposed uniqueness.

The role reversal displayed in these writings is startling. Three decades ago the fashion was to disparage things Japanese and compare them unfavorably with Western ways. British scholar Ronald Dore recently recalled the self-punishing essays by Japanese authors in 1951 which deplored the national character as too obliging and conciliatory, even cowardly, and urged the adoption of Western individualism.

It was, Mr. Dore said in a speech here, "a very vulgar view that scorned how or other Japan had to be more

University spoke of a fundamental life-view chasm — Europeans rejecting the idea of fate controlling one's life, while Japanese accept it.

The effort to isolate and often extol what is Japanese over the non-Japanese recently became a marketing strategy under the rubric "Japanesque." The theory was that customers could be appealed to through evocations of the specialness of Japanese culture.

The search for national identity, for Japaneseness, has a spokesman in Yatsushiro Nakagawa, who coincidentally was chosen prime minister at a time when all of these threads were coming together. He is of a philosophical bent, unlike predecessors who were content to let issues like identity and history go unmentioned in the pursuit of making Japan economically safe in the world.

Mr. Nakagawa is a nationalist who got his political start campaigning with a Japanese flag when its display was forbidden by occupation authorities. He is also an internationalist who wants to stake out Japan's new place in the order of things. His is no small vision.

Japan's goal, Mr. Nakagawa wrote in a 1978 pamphlet, is to be a leader in promoting a "new civilization" in the world and to protect world peace. And Japan must enhance the prosperity of the Asia-Pacific region, becoming the center of economic management for the region while less-developed countries concentrate on production.

There is no doubt who is best equipped to lead Japan on this mission. In an election speech last November Mr. Nakagawa asserted that when he took office Japan was isolated from the world and picked on by other countries. (He used the phrase "fukuro-daiki") which means to be placed in a sack and beaten with sticks.) Under his leadership, he said, Japan had begun to "walk proudly" and to carve out an important position in the world.

Such braggadocio may raise few eyebrows in the United States, where talk of "standing tall" and leading the world on grand missions is standard campaign fodder. But it sounds different in Japan.

What Prime Minister Nakagawa and the revisionists of history and the analysts of Japanese uniqueness seem to be saying, in different ways, is that a new period is beginning here. Japan is at last a nation that speaks and reads the language, uncovered in a bookstore a tome entitled "The Japanese Brain."

Scholars have described supposedly deep philosophical differences that distinguish the Japanese. The late Rokusaburo Niede of Waseda

career studying this country's ways. Recently he compared the old and the new, and emerged with dismay.

"Back in the years after the war, the Japanese sense of inferiority was so painful that one wanted to tell them to be quiet about it at least, if they could not overcome it... It was hard to imagine in those days that there could be a return to the arrogance of which the Chinese and the Koreans liked to talk."

There may not be arrogance exactly, today, but there is something that may properly be called overconfidence. Assured that their methods are superior, the Japanese become inclined to think that these are what the world needs and that Japan, having them, needs nothing more. They forget that the world is a tough and dangerous place."

The writer this month concludes his second tour as Tokyo correspondent of The Washington Post.

Japan Being a World Leader, The Rest of Us Should Discover It

By Hobart Rowen

WASHINGTON — The Japanese, says William C. Norris, 72-year-old chairman of Control Data Corporation, "are taking advantage of us. They're living off our technology... Their access is far better than our access over there."

Not only businessmen but many American scientists, engineers, editorial writers and others take as a given that Japan's great economic success comes from what it has been able to copy from America. And yet some of these same critics argue, curiously, that Japan is forging so far ahead in advanced technology that American companies are being or will be overwhelmed.

Justin Bloom, a retired Foreign Service officer who was science counselor at the U.S. Embassy in Tokyo for six years, recently told a congressional committee that he is "deeply disturbed" by this contradiction and the emotions which lead to it. "How can the Japanese be considered parrots and copiers on the one hand, and the most awesome challengers to our technological lead on the other?" he asked.

Mr. Bloom's evidence suggests that Mr. Norris has not accurately described the situation concerning access to technical information. American access to Japanese data is not as good as Japanese access to America's, but the Japanese are not to blame. Rather, it is a choice that most American firms have made.

There exists a system for U.S.-Japanese exchange of information at the governmental level, through

13 major agreements. This has led to an extensive flow of information from Japan. Mr. Bloom says that "as much information is obtained by the United States from Japan as goes in the opposite direction."

He says American companies by and large ignore the huge amounts of scientific and technological data that the Japanese make available in English, often due to a "general underestimation of the Japanese ability to conduct original research."

There is a wealth of information, just sitting there in English-language publications, Mr. Bloom says. "Why do the Japanese do it? Their government is sensitive to criticism that it is a closed society; it wants to demonstrate that it does not shut itself off from the rest of the world. And the Japanese recognize that their language will never be an international one. Since their scientists and others wish to communicate with the outside world (and because there is a commercial incentive, as well, to sell publications), the Japanese go to the trouble of translating large amounts of their data."

"My guess is that it has gone largely unappreciated," says Mr. Bloom.

To be sure, the best and most complete source of information is the technical literature itself, in some 10,000 science and engineering journals, trade papers and government reports published in Japanese. For the most part, however,

American companies do not bother to pick up this information.

Only a few enterprising companies make the effort to go after this information, and a few commercial abstracting and indexing services have recently come into being. But the failure of the Western economies to stress widespread education in the Japanese language — to say nothing of educating scientists and engineers in technical Japanese — is a self-imposed barrier.

Only four officers on the U.S. Embassy staff in Tokyo speak Japanese. Mr. Bloom knows of no language officer at the State Department who has received instruction in technical Japanese.

He concedes that Japan has not made it easy for foreigners to work or study there. Japanese often doubt that foreigners are willing to work hard enough for long enough to become proficient in the language.

Still, as Mr. Bloom says, Japan is now a world leader in industrial and commercial technology, "and something must be done" about the negative attitude toward it.

Japan, he remarks, is not an enemy but an important ally.

It is also a tough economic competitor — which is good for both sides. "I hope that the competitive challenge offered by Japan will be looked at in this light," he says. "If not, we will never be truly well informed of what is going on in that country, or be able to fully exploit the scientific advances made there."

— THE WASHINGTON POST

Watch Jackson, Kennedy, Hart and Certainly the Thursday Movie

By William Safire

SAN FRANCISCO — Walter Mondale's choice for vice president has said she does not believe that the president can claim to be a good Christian, and President Reagan has countered by hinting broadly that Geraldine Ferraro's choice was cynical tokenism. We have lift-off.

For those who like to watch party conventions through insider-tinted glasses, here are questions that may be answered this week.

Will the selection of Bert Lance as Mondale campaign chairman resuscitate Democratic chances in Southern states, or vitiate the "sleeze factor" charge against unethical Reaganites?

The only politicians willing to say that Mr. Mondale has a good chance are Republicans trying not to be complacent. In this underdog atmosphere, gutsy decisions are called for, and I think the choice of Mr. Lance, an artist of Southern speech, will turn out to be precisely sound.

He saved the Mondale campaign

from disaster on Super Tuesday, and he has the trust of the Southern political troops. As a man who was indicted, tried but not convicted for bank fraud, he can say that the legal system left him an innocent man — which is not the case of Reagan aides who escaped all prosecution despite conflicting sworn testimony.

Will Jesse Jackson handle himself, and be himself, in a way that energizes the blacks without enervating the Jews?

Many Jews who ordinarily vote Democratic, and most Jewish leaders, are convinced that Mr. Jackson is an anti-Semite. Even his forced repudiation of the bigoted statements of one of his closest supporters was done by begrudging press release; the words never passed Mr. Jackson's lips, and thus could not be shown on television. He courted Jewish leadership last week for making him a "pariah" at this convention; now he is talking reconciliation. His technique is first to outrage, then to offer to settle; that pattern is wearing thin.

Only if Mr. Jackson makes a genuinely healing speech on Tuesday night, followed by private agreement with fellow Democrats to stop offering himself as a publicity vehicle to Communist dictators seeking to manipulate America's election, will he be seen by black and white politicians as more of a plus than a minus to the Democratic Party. The Reagan campaign must be eager to use a picture of Mr. Mondale embracing Mr. Jackson alongside a picture of Mr. Jackson embracing Yasser Arafat.

Senator Ted Kennedy is the likely mediator between Mr. Jackson and Jewish leaders here. That is a tough task. However, Mr. Jackson probably realizes that if he continues to try to force a choice by threatening campaign hawks, power will flow to other black leaders.

Will Gary Hart roll over, playing for party-regular IOUs in 1988, or put up a battle, reaching for rank-and-file leadership after a Mondale defeat?

The selection of Ms. Ferraro torpedoed what might have been a good chance to assemble female, black and Hispanic support to deny Mr. Mondale a first-ballot nomination.

I think Mr. Hart will follow the example of Mr. Reagan in 1976, fighting the good fight to inherit the shambles. Watch for him to exploit the resentment of Californians at the ill-timed attempted firing of the Democratic national chairman, Charles Manatt. Mr. Lance was all for keeping him on through the election, but old Mondaleans wanted his scalp now. That was unnecessary.

Mr. Hart will also embarrass the Mondale-Ferraro followers in the platform committee by resisting their pledge to take the line favored by both Jimmy Carter and Ronald Reagan offering automatic U.S. protection to ships in the Gulf. In this case, Mr. Hart's natural isolationism makes good strategic sense. Let Arabs and Japanese take the lead in protecting their oil supplies.

Will the Mondale-Ferraro trumpet tooke uncertainly as all things to all lobbies, or strike a theme that triggers new hope in voting voters?

Do not head for the fridge for a long beer when the Democratic film is shown before the Mondale speech Thursday night. That has been writ-

ten by a crack former Rafshoonian who was willing to improve on Lincoln, and will preview the advertising themes for the fall campaign. If it turns out to be a class-warfare white about the cruel way President Reagan brought national security and prosperity, forget it.

If, however, the theme in the Cuomo keynote, the film and the acceptance addresses picks up the initial notes struck in the Mondale introduction of Ms. Ferraro, if the central theme goes to the concerns of the blue-collar workers and the spreadsheet sisters, who have had it with demands for compassion and entitlements and long for the music of reward for self-reliance and hard work, then, perhaps, Mr. Mondale can do what Jerry Ford did in the campaign of 1976: close a 17-point gap and make a hot race of it.

I hope he does. A feisty challenge would force the Reagan campaign to define itself.

— THE NEW YORK TIMES

LETTERS

Previously Reported

A Los Angeles Times news story in the July 16 edition of the International Herald Tribune ("Pope's Attacker Changed Testimony on Alleged Accomplishment, Judge Says") states that previous accounts of a report by the Italian state prosecutor implicating Bulgaria in a plot to shoot Pope John Paul II omitted a major retraction of evidence by Mehmet Ali Agca, the would-be assassin. This is not true. All the details contained in the story run by our newspaper were fully reported in a front-page news story in The Washington Post on June 18.

MICHAEL DOBBS, Rome.

Dietrich in German

I enjoyed Thomas O'Toole's report "U.S. Used Music in Propaganda" (June 23), but the fact that Marlene Dietrich sang American songs in Germany for the Office of Strategic Services has been no secret to her fans for at least 35 years.

In the late 1940s she recorded some of these songs for Columbia Records under the title "Marlene Dietrich Overseas." The songs were "Mean to Me," "Amie Does Not Live Here Anymore," "The Surreys With the Fringe on Top," "Time on My Hands," "Taking a Chance on Love," "Miss Otis Regrets" and "I Couldn't Sleep a Wink Last Night" — in addition, of course, to "Lili Marlene."

The gentleman who amusingly recreated the songs' lyrics in German was Lothar Meier.

I possess this recording, and it still gives me great pleasure.

WALTER B. GLEASON, Vevey, Switzerland.

Alas, Dancing in the Aisles Doesn't Really Work

By Carl Bode

WASHINGTON — Reading the chapter entitled "Romance in the Aisles" in H.L. Menckens' untitled, autobiographical "Heather Days" would melt the hardest Democratic heart. It is Menckens' account of the most charming of all political conventions — the Democratic convention of 1920, held, in case you haven't guessed, in San Francisco.

Menckens was a connoisseur of conventions, attending them every four years, sweating and complaining but reporting in so witty and urbane a prose that nobody has equaled it.

The prime source of the convention's success was a solicitous predecessor of Dianne Feinstein, Mayor James Rolph. He ordered not only excellent accommodations, ranging from elegant hotel rooms to a pristine convention hall, but also acted for every delegate willing to sip it.

It came, according to Menckens, in the form of "a carload of Bourbon whiskey, old, mellow and full of pungent but delicate tangs." (This was at the onset of prohibition, when most of the illegally available drink was a mix of rum, turpentine and rye, with odd things floating in it.)

Daily the bourbon was escorted to the delegates' rooms by comely Democratic ladies of the hospitality committee. The result was that the convention proceedings were, at the

worst, as courtly as a conference of ambassadors. At the best, they were aglow with human warmth.

The cause for that, besides the bourbon, was the convention band. Full of the ripest of harmonies, the band saluted every speaker with an appropriate tune. It greeted a congressman from Indiana, for example, as he went to the podium, with "On the Banks of the Wabash."

The year 1920 was the first in which female delegates attended. The first to speak was a very attractive woman from Massachusetts. When she reached the platform the band played "Oh, You Beautiful Doll," and the male delegates rose to their slightly unsteady feet and cheered.

The next female delegate to address the convention was a lady from West Virginia, an ex-actress who, as Menckens put it, "knew precisely how to walk across a stage and what clothes were for." When the band played for her, the cheers could be heard as far off as San Jose.

When the governor of New York, Al Smith, made his appearance, the band swung into "The Sidewalks of New York." By the time the second stanza was reached, some delegate started singing the words. A hundred

delegates joined in. Encouraged by this outburst of song, the band swung into "Little Annie Rooney," then "The Bowery," and then into other sprightly tunes, all in waltz time.

Soon a male delegate, blood brother to the one who had started the singing, seized the nearest female and began to waltz her along the aisles. After the first half hour the only delegates not pirouetting were some Baptist fundamentalists from Mississippi and a one-legged war veteran.

The days passed in happy abandon. When the hall grew a bit confining, the delegates moved out into the San Francisco sunshine. They adjourned temporarily over a weekend, but that was so they could explore the rest of California while clutching their bourbon bottles to them.

When they left for home at last, they took with them nothing but lovely memories. They blessed Jim Rolph, who continued as mayor for the next 11 years and then became governor of California.

The presidential candidate picked by that delightful convention was one James Cox. He was crowned in November by Warren Harding, the electoral count being 404 to 127.

The writer teaches English at the University of Maryland. He contributed this article to The Washington Post.

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West Germany Pledges Aid for El Salvador as Duarte Arrives for Talks

BONN — West Germany pledged aid Monday for the government of El Salvador as President José Napoleón Duarte arrived on the first leg of a West European visit.

In a welcoming speech, President Richard von Weizsäcker reiterated Bonn's support for efforts by the five-ocean Contadora group to bring peace to Central America without foreign interference. He repeated the European Community's desire for stability in the region.

"My country will do everything in its power to help," President Weizsäcker said. "We will support you concrete measures for development cooperation at a decisive time for your country."

He appeared to be hinting at a new cash aid agreement between West Germany and President Duarte's government, which came to power three months ago. Leftist guerrillas have been fighting for four years to take control in El Salvador.

Earlier this week, President Duarte, a Christian Democrat, said he hoped for \$175 million in aid from West Germany to be used to promote small business, rural housing and for the purchase of West German goods.

President Weizsäcker said West Germany backed suggestions for a summit meeting of European and Central American foreign ministers to discuss economic cooperation.

President Duarte, accompanied by Foreign Minister Jorge Eduardo Tenorio, is to hold three days of talks with government, opposition and business leaders in West Germany. On Tuesday, he is to meet with Chancellor Helmut Kohl, who just returned from Mexico.

21 Treasury Police Killed

Earlier, Lydia Chavez of the New York Times reported from San Salvador.

Salvadoran military sources said Sunday that 21 Treasury police were killed Saturday when leftist guerrillas attacked a cargo train 25 miles (40 kilometers) north of the capital.

At least three civilians were wounded, according to the International Committee of the Red Cross.

The attack, which took place near the small town of San Antonio Grande, is the latest in a series of guerrilla raids against the country's transportation system.

Last week, guerrillas blew up another cargo train and issued repeated warnings to motorists to stay off the Pan American Highway, which is the main road for trucks and buses delivering goods throughout the country. Leftist forces also set up roadblocks near Honduras.



One of the damaged statues at Rome's Villa Borghese.

Vagrant Held in Attack on Statues in Rome's Villa Borghese Gardens

ROME — A vagrant has been arrested by Rome police in connection with the defacing of 86 busts and statues in the Borghese Gardens in central Rome on Sunday night.

Police said they arrested the man, who identified himself as Jerzy Gumelale, shortly after dawn Monday as he was attacking one of the monuments with a cobblestone.

The features of the statues, mostly busts of famous Italians lining the drives in the gardens around the Villa Borghese Museum, were chipped off and some were toppled from their pedestals.

The Villa Borghese and its surrounding gardens were created in the 16th century by Cardinal Scipione Borghese as a summer residence. The building now contains one of Rome's finest collections of paintings and sculpture.

Soviet Paper Is Pressing Pollution Case

By Theodore Shabad
New York Times Service

NEW YORK — Izvestia, the Soviet government newspaper, has questioned the handling of the investigation of an environmental disaster that polluted a major river in the Ukraine, depriving several cities of drinking water.

Under the headline "Why Is the Trial Being Put Off?" the paper reported that four officials arrested on suspicion of negligence had been freed pending a geologic study of the area around Stebnik, where a dam holding back an artificial lake of highly toxic salt brine gave way in September.

The break opened a gap approximately 60 yards (55 meters) wide and 15 yards deep, turning loose a billion gallons of concentrated brine that had been dumped by a fertilizer plant.

The flood of semiliquid waste tore across a highway and railroad and spilled into the Dniestr River, traveling downstream for nearly 300 miles (480 kilometers) and polluting the water source for a large region including the port of Odessa, a city of a million people. It was one of the largest environmental disasters in Soviet history.

Still, it is rare for a Soviet newspaper to press a law enforcement official about the delay of a trial.

The Izvestia article said criminal proceedings had been started against four officials in charge of design, construction and maintenance of the dam. None has been identified. They were arrested and held pending trial.

The precise date of their release is unclear but in late June an Izvestia reporter called an assistant prosecutor in the Ukraine to ask why they had been freed.

The Izvestia article quoted the official as saying a preliminary investigation had shown possible geologic causes for the collapse of the dam that might exonerate the officials.

"The Stebnik plant lies in an area of complex geology," the prosecutor said. "It is a zone of deep earth fractures filled with helium gas that may cause rocks and subsoil to slip. It has been suggested that these earth movements may have been the primary cause of the break in the dam."

Pending a thorough study of the area, the prosecutor said, the four officials had been freed. He added that weather had delayed the surveys for more than a month.

In the article, the Izvestia reporter then addressed the prosecutor by name.

"Mikhail Alekseyevich," he said, "are you suggesting that this entire deplorable story of the polluting of the Dniestr River will end up with no one's being directly responsible, and that the one and only guilty party will be nature itself, namely?"

those deep-seated, mysterious helium-filled fractures?"

The Ukrainian official was quoted as responding, "Only the trial will give us the final answer on that. Why don't we just wait for it to happen?"

U.S. Psychiatrists Join Protest Over Treatment of Sakharov

By Victor Cohn
Washington Post Service

WASHINGTON — An American Psychiatric Association committee has urged a Soviet hospital director to respond to reports that the dissident physicist, Andrei D. Sakharov, is undergoing forced psychiatric treatment in the city of Gorki.

Committee members said there have been indications that Soviet authorities are using drugs or other methods to try to make Mr. Sakharov recant comments critical of the Soviet government. "The evidence is compelling" that he is still on a hunger strike and being force-fed, they said.

If the Russians are using psychiatric methods on the Nobel Prize-winning scientist, it is part of "a steady recent increase" in their abuses of psychiatry for political purposes, Peter Reddaway, a London School of Economics political scientist, told the committee.

The psychiatric association's Committee on International Abuse of Psychiatry and Psychiatrists recently cabled the director of Semashko Hospital in Gorki and Dr. Vladimir Rozhnov, a prominent Soviet psychiatrist rumored to be treating Mr. Sakharov. The committee asked them to respond in reports of abuses and to halt them if the reports were true.

In a similar cable to Soviet medical and scientific leaders, the American Association for the Advancement of Science called for the use of psychiatric methods "unconscionable" and urged Soviet scientists to use their influence to stop any such treatment.

Crash Kills 2 U.S. Navy Pilots

TOKYO — Two U.S. Navy pilots died Monday morning when their KA-6D Intruder jet crashed in the Pilsong Mountain Range in South Korea during training exercises, a navy spokesman said here.



MIRROIR BROT. Made in France. Available now in the United States.

Brazil Dissidents Unite On Presidential Nominee

By Juan de Onis
Los Angeles Times Service

RIO DE JANEIRO — Brazil's major opposition party and a powerful dissident wing of the pro-government party have agreed on an election-year pact to support Tancredino Neves, governor of Minas Gerais state, as their presidential candidate in an attempt to end 20 years of military-dominated government.

The agreement was announced to Brasilia by Vice President Aureliano Chaves, leader of the dissident wing of the pro-government Social Democratic Party, and by Ulysses Guimarães, president of the opposition Brazilian Democratic Movement Party.

Both Mr. Chaves and Mr. Guimarães relinquished their own presidential candidacies in giving their support to Mr. Neves, a national political figure for 35 years. He was elected governor of Minas Gerais, Brazil's second-largest state, in 1982 as candidate of the Brazilian Democratic Movement Party.

The pact stipulates that the opposition coalition will vote for Mr. Neves when the National Electoral College meets Jan. 15 to elect the successor to President João Baptista Figueiredo, whose term ends in March. The 686 members of the electoral college include the present members of the Senate and Chamber of Deputies plus six delegates from each of Brazil's 23 states.

In the 20 years since the armed forces overthrew President João Goulart, this is the first time that the opposition has had a real chance to win the presidency.

Mr. Figueiredo is the fifth army general in succession to occupy the presidency. Until recently, he and his military advisers were confident that the government controlled the majority in the electoral college and would be able to retain power, even with a civilian candidate.

But the pro-government Social Democratic Party split over the

Al Schacht, 91, Is Dead; Baseball Clown in U.S.

New York Times Service

NEW YORK — Al Schacht, 91, who entertained millions of fans as the "clown prince of baseball," has died in a Waterbury, Connecticut, hospital after a brief illness.

Alexander Schacht, who died Saturday, was born in New York City on Nov. 12, 1892. He did not start out to become a baseball star. A sore arm cut short his major league career as a pitcher with the Washington Senators. He played only from 1919 to 1921, winning 14 games and losing 10.

After a stint in the minors, Mr. Schacht turned to clowning. In 1924, he teamed with Nick Altrock and they made nearly everyone except each other happy with their capers. After 10 years, they broke up their act and Mr. Schacht went on to gain a world reputation as a pantomimist. He performed at many World Series and All-Star games and in nearly every city in both the majors and minors.

Other deaths: Kenny Delmar, 73, the actor who played the blustery Southern senator Beauregard Claghorn on the Fred Allen radio show and whose "That's a joke, son," was a favorite American expression for years, Saturday in Stamford, Connecticut.

Ernest R. Tidyman, 56, author and screenwriter whose screenplay for the movie "The French Connection" won him an Academy Award, Saturday in London of a perforated ulcer and complications. His home was in New Preston, Connecticut.

Gerald Sykes, 80, author, philosopher and critic whose favorable reviews helped focus attention on writers such as Lawrence Durrell

and Franz Kafka, Sunday in New York after kidney failure.

Vladimir A. Engelhardt, 89, one of the Soviet Union's most prominent biochemists and director of the Soviet Institute of Molecular Biology, Tuesday in Moscow.

Ogtriyak, 84, a former Mongolian warrior and a descendant of the 13th-century conqueror Genghis Khan, July 2 of cancer at Holbrook, capital of Inner Mongolia, a Chinese press agency reported Saturday.

Philippe Wynne, 41, rhythm and blues singer who once sang the lead with The Spinners, Friday, after suffering a heart-attack on a night club stage in Oakland, California. He lived in Los Angeles.

Francis R. Elliott, 80, retired chairman and chief executive officer of Borden Inc., Sunday at his home in Lake Wales, Florida.

New Coalition In Luxembourg Picks a Leader

Reuters

LUXEMBOURG — Luxembourg's Social Christian and Socialist parties agreed Monday to form a new government under Jacques Santer to replace the grand duchy's governing center-right coalition.

The Socialists, led by Jacques Poos, won enough seats in the 64-member National Assembly in general elections last month to replace the Liberals as the second-largest party and claim a role in the government.

Mr. Santer, the Social Christian finance minister, will replace Pierre Werner, 70, who is retiring as prime minister after three decades in public life.

The new center-left coalition has not announced its program. The setback for the Liberals in the elections was interpreted as a rejection of the austere economic policies they championed.

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(Continued From Page 13)

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FUTURES AND OPTIONS

Securities, Futures Markets
Move Toward Integration

By H.J. MAIDENBERG
New York Times Service

NEW YORK — Next Monday the U.S. securities and futures markets will take a giant step toward the integration of their industries. On July 23, members of the Chicago Board of Trade, the largest futures exchange market, will have access to the options on the Major Market Index of the American Stock Exchange.

Later, when the Chicago Board starts trading futures on the MMI, Amex specialists will be able to offset positions in that market.

Also on July 23, the value of the Amex index of 20 blue-chip stocks will be doubled to \$200 a point, from the current \$100. This will provide institutional portfolio managers with more efficient and economical hedging opportunities.

The doubling of the option's value is also aimed at attracting more speculators to the MMI. It now takes roughly a 10-point move in the Dow Jones 30-stock industrial average to move the MMI 20 blue-chip index one point. After the change, the relationship should be five to one, said Paul G. Stevens, executive vice president in charge of operations at the Amex.

"Basically, what we are doing at the Amex and the Chicago Board is responding to the needs of our members who recognize that index options and futures are among the most active and fastest-growing markets," Mr. Stevens said. "Chicago doesn't have an index futures product at the moment, and our people needed a means to lay off their options risks with futures."

Anticipating a surge in business after it links up with the Chicago Board, the Amex next Monday will also create 108 two-permit to increase the number of options specialists, who are the principal market makers on that exchange.

Amex anticipates a
surge in business
after it links with
the Chicago Board.

SENSITIVE to the financial crunch affecting brokerages, as well as to the fact that the much larger New York Stock Exchange also plans to expand its stock options business, the Amex has also invested heavily in the latest electronic order-processing systems.

The Chicago futures and options exchanges, however, continue to be the leaders in market innovation. For example, the Chicago Board of Trade provides members with current statistics detailing their share of the business in each futures and options market.

Thomas K. Bonen, vice president in charge of marketing at the Chicago Board, said that five years ago, a 1-percent share of the Treasury bond futures market was worth \$50,000 to \$70,000 in brokerage revenues. "Last year," he said, "the same share was worth \$2.5 million. Because our T-bond market has grown so large, a 1-percent share in the first half of this year was worth as much as \$2.5 million, the same as for all of 1983."

The numbers are of particular interest to Chicago Board members because none are discount brokers. However, many Chicago Board members clear trades for discounters, Mr. Bonen said.

As for access to the Amex's MMI options, Mr. Bonen said his exchange's members "can't wait until July 23 because, among other reasons, we see the MMI index options as paving the way for a tremendous MMI index futures market, as well as being an interesting investment tool for ordinary investors."

Suppose, he went on, an investor wanted to "buy the Dow" but at a cheaper commission. Because the 20-stock MMI closely tracks the 30-stock Dow, this could be done easily by buying 100 shares of each of the blue chips in the MMI.

To buy 100 of the 20 stocks in the MMI, Mr. Bonen said, would cost \$1,596 in commissions at a full-service broker in a larger city, \$1,611 at a regional brokerage and \$785 at a discount broker. These commissions only represent purchases, not both buying and selling, he emphasized.

Theoretically, the same investment value—100 shares of each of the 20 blue chips in the MMI—would translate into only four of the planned futures contracts. The round-trip (buying and selling) commission on the four futures would range between \$60 and \$150, depending on whether one used a full-service or discount broker, Mr. Bonen noted.

Morgan,
Chase Say
Net Down

Argentine Loans
Are Major Cause

United Press International

NEW YORK — Chase Manhattan Corp. reported Monday a 14-percent decline in earnings and J.P. Morgan & Co. a 9.8-percent drop, primarily as a result of overdue Argentine loans. First Chicago Corp., however, reported a 23-percent gain.

Chase, holding company for the third-largest U.S. bank, had earnings of \$90 million, or \$2.21 a share in the second quarter, down from \$105 million, or \$2.68 a share, last year.

Morgan, whose principal subsidiary Morgan Guaranty Trust is the fifth-largest bank, had net income of \$103.7 million, or \$2.32 a share, down from \$115 million, or \$2.59 a share, in the second quarter of 1983.

First Chicago, which ranks 11th in size, reported second-quarter income of \$53 million, or 98 cents a share, up from \$43 million or 91 cents last year. The 1984 results include \$3.4 million net from First Chicago's acquisition of American National, Chicago's fifth-largest bank, which it purchased on May 1.

First Chicago's non-accrual loans totaled \$916 million including American National, but the bank said its exposure in Argentina is less than three-quarters of one percent of total loans and was not broken out.

Chase Manhattan said cross-border loans to Argentina placed in non-accrual status cut \$13 million from 1984 earnings. Last year's second-quarter earnings included an \$11-million after-tax gain from loans paid by Argentina.

Chase said it adopted guidelines recently announced by federal regulators on non-accrual loans, instead of waiting for the third quarter when they become mandatory. Under those guidelines, a loan is placed in a non-accrual category when any payments on it are late by 90 days or longer.

Chase said its total non-accrual portfolio amounted to \$2.2 billion on June 30, 1984, up from \$1.8 billion a year ago. Approximately \$250 million of cross-border Argentine loans are in the total.

Morgan, whose results also reflected the new policy guidelines, said overdue Argentine loans reduced second-quarter results by \$12.4 million. Its earnings were further cut by a \$12.9 million loss in foreign exchange trading, which contrasted with a \$24-million gain last year.

Last week, Manufacturers Hanover Corp., the largest bank lender to Argentina, said its second quarter earnings were reduced by \$21.4 million as a result of loans to Argentina. It also followed the new accounting rules.

Hitachi: Japan's Jack of All Trades

But IBM Dispute
Still Troubles
Electronics Firm

By Andrew Pollack
New York Times Service

TOKYO — When Katsushige Mita, president of Hitachi Ltd., took the podium at the company's annual meeting last month, he knew what to expect—lots of questions about the company's obvious sore spot: the case in which Hitachi was accused of stealing trade secrets from the International Business Machines Corp.

After more than an hour, Mr. Mita could take it no longer. He interrupted a persistent questioner.

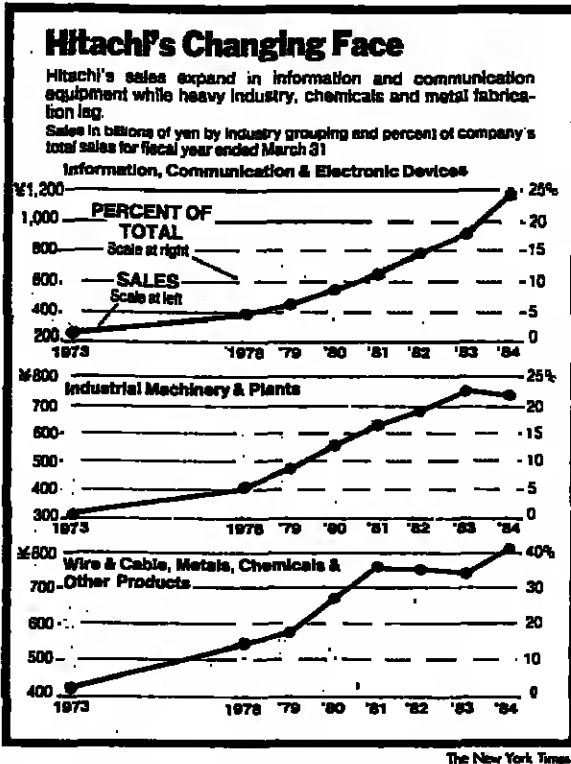
"We did our utmost to solve the problem and we have punished ourselves, including myself," Mr. Mita said. "We would like to do our best from now on, too." A round of applause erupted, silencing the questioner.

Two years after Hitachi was caught trying to buy IBM secrets by the FBI, the company is still trying to distance itself from the case. How well it succeeds is important for Japan because the company is one of the nation's industrial standard-bearers.

Hitachi is one of Japan's largest manufacturing companies, vying with Nissan and Matsushita for second place behind Toyota. It has nearly \$20 billion in revenues. It is also the most diverse, with 729 subsidiaries and affiliates employing 210,000 people and producing more than 20,000 products, from micro-wave ovens to cars for Japan's bullet trains.

And it is a bellwether issue on the Tokyo Stock Exchange. "When you tell Hitachi, you sell Japan," said Peter G. Wolff, an analyst with Bache Securities Japan.

The company is also one of Japan's strongest technological



The New York Times

ly. Despite the IBM incident, Hitachi and its rival in computers, Fujitsu Ltd., are the only companies left in the world with any reasonable chance of competing with IBM in the large computer business.

The IBM incident threatens to weaken Hitachi in a field that is the key to its future. Hitachi is now making a major transformation away from its slow-growing older businesses of heavy electrical equipment into the electronics business. Among the many changes under way, a washing-machine factory is also producing word processors, and an elevator and escalator plant has added computer terminals to its product list.

The IBM case, moreover, is only one problem confronting Hitachi as it makes this transformation. The company lacks mar-

keting savvy and international orientation, characteristics it did not need as much in its old businesses but that it sorely needs now.

And its great breadth of products, which helps cushion the company from downturns in any one business, can also be a weakness in preventing it from concentrating on the most important ones. It tends to make the company a jack of all trades but master of none.

"It doesn't focus sufficiently to get control or command of any business it is in," said James C. Abegglen of the Boston Consulting Group.

None of these problems has noticeably slowed Hitachi's growth. But this could be just good fortune; 1983 was a boom year for some key products such as microprocessors.

Despite recent evidence that economic expansion is moderating, some private analysts say the Fed might still be tempted to tighten credit a bit, keeping upward pressure on interest rates. That would tend to apply the brakes slightly on the expansion.

On Friday, the government released reports showing the econ-

Reports Show
Slower, Healthy
Growth in U.S.

The Associated Press

WASHINGTON — A series of reports Monday, coming after a string of announcements late last week, continued to paint a picture of a U.S. economy still growing at a healthy pace but not so bustling as earlier this year.

U.S. factories, mines and utilities operated at 81.7 percent of capacity in June, the highest level since July 1981, the government reported Monday.

In a separate report, the Federal Reserve Board said consumer installment debt shot up a record \$10.23 billion in May, following a gain of \$6.41 billion in April.

And in a third report, the Commerce Department said U.S. businesses restocked their shelves and showrooms at a slower clip during May, pushing inventories 0.9 percent higher than in April. Sales were up 1.6 percent, the most since December.

Consumer buying, which has been fueling the recovery, appears to be still quite strong even in the face of climbing interest rates.

The Federal Reserve said that the May advance in consumer debt exceeded the previous high of \$6.61 billion, recorded in February.

Analysts have been watching the latest government reports for signs as to where the economy is headed. They worry that if it continues expanding at the fast clip of the first quarter, inflation will surge to high levels and interest rates will remain troubling.

Slower growth, they say, would relieve some of that pressure on inflation and interest rates while ensuring that the recovery lasts.

Federal Reserve policy-makers, meanwhile, were planning monetary strategy Monday at the start of a two-day private session.

Despite recent evidence that economic expansion is moderating, some private analysts say the Fed might still be tempted to tighten credit a bit, keeping upward pressure on interest rates. That would tend to apply the brakes slightly on the expansion.

On Friday, the government released reports showing the econ-

Kaufman Sees
Higher Rates

By Robert R. Kaufman

NEW YORK — The chief economist of Salomon Brothers, Henry Kaufman, said Monday that the peak in interest rates is not near.

For the next three quarters, the economy will continue beyond its long-term growth potential, leading to higher utilization of resources and intensifying wage and price pressures, Mr. Kaufman wrote in the firm's quarterly investment strategy.

He added: "The slowing in the pace of economic activity in the next 12 months is unlikely to reverse the cyclical upward movement in interest rates."

The stock market turned lower early Monday afternoon and credit markets gave up most of their advance after Mr. Kaufman's prediction.

Gold Prices Rise as Dollar Slips

The Associated Press

LONDON — The dollar slipped on world foreign exchange markets early Monday in what dealers said was a fresh bout of profit-taking after last week's record highs. Gold prices rose.

Dealers said investors also appeared to be waiting to see whether the U.S. Federal Reserve's policy-making arm, the Federal Open Market Committee, will take steps to tighten credit conditions at its two-day meeting that began Monday.

The meeting is private, however, and no public pronouncement on what action was discussed or taken is expected for several weeks. In advance of that meeting, the

government reported on Friday the producer price index was flat in June for the third consecutive month.

Some analysts said that report took some pressure off the Fed policymakers to tighten monetary conditions, and argued that could lead to stable or falling interest rates.

Lower U.S. interest rates make the dollar a less attractive investment.

The dollar, which reached all-time highs against the British pound, Italian lira and French franc last week, began the day's trading by falling in Tokyo to 241.25 Japanese yen from 241.95 yen on Friday.

Later in Europe, the dollar moved lower against every major currency but the British pound and Canadian dollar.

The British pound edged down to \$1.3214, compared with \$1.3225 Friday. London traders said sterling was weakened by the effects of a six-day-old dock strike.

Other dollar rates at mid-morning, compared with late rates Friday included: 2.8260 West German marks, down from 2.8355; 2.3840 Swiss francs, down from 2.4000; 6.6520 French francs, down from 6.6550; 3.1890 Dutch guilders, down from 3.2030; 1,737.75 Italian lire, down from 1,747.00; and 1.3825 Canadian dollars, up from 1.37275.

CURRENCY RATES

Late interbank rates on July 16, excluding fees. Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 2:00 P.M. EDT.

	\$	£	D.M.	F.F.	Y.	Sw.	S.P.	Y.
Amsterdam	2,125	4.21	12.27	36.77	61.22	—	5.57	22.45
Brussels	2,125	4.21	12.27	36.77	61.22	—	5.57	22.45
Frankfurt	2,125	4.21	12.27	36.77	61.22	—	5.57	22.45
London (C)	1,375	—	—	—	—	—	—	—
Milan	1,720.20	2,303.00	61.25	20.32	—	—	—	—
New York (C)	1,375	—	—	—	—	—	—	—
Paris	6,875	11.92	307.20	—	—	—	—	—
Tokyo	241.25	21.20	61.25	—	—	—	—	—
Zurich	2,384	3.19	61.25	—	—	—	—	—
1 BCU	0.722	0.792	2.232	0.54	1.240	2.519	0.845	119.30
1 SDR	1.8286	0.7792	2.8079	0.8412	1.7764	3.259	0.8546	24.794

	\$	£	D.M.	F.F.	Y.	Sw.	S.P.	Y.
Amsterdam	2,125	4.21	12.27	36.77	61.22	—	5.57	22.45
Brussels	2,125	4.21	12.27	36.77	61.22	—	5.57	22.45
Frankfurt	2,125	4.21	12.27	36.77	61.22	—	5.57	22.45
London (C)	1,375	—	—	—	—	—	—	—
Milan	1,720.20	2,303.00	61.25	20.32	—	—	—	—
New York (C)	1,375	—	—	—	—	—	—	—
Paris	6,875	11.92	307.20	—	—	—	—	—
Tokyo	241.25	21.20	61.25	—	—	—	—	—
Zurich	2,384	3.19	61.25	—	—	—	—	—
1 BCU	0.722	0.792	2.232	0.54	1.240	2.519	0.845	119.30
1 SDR	1.8286	0.7792	2.8079	0.8412	1.7764	3.259	0.8546	24.794

Source: Reuters (1984) (All amounts rounded to two decimal places) (All amounts rounded to two decimal places) (All amounts rounded to two decimal places)

INTEREST RATES

	\$	£	D.M.	F.F.	Y.	Sw.	S.P.	Y.
1M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
3M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
6M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
1Y	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%

Rates applicable to interbank deposits of \$1 million minimum (for eurodollar).

Asian Dollar Rates

	\$	£	D.M.	F.F.	Y.	Sw.	S.P.	Y.
1M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
3M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
6M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
1Y	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%

Key Money Rates

	\$	£	D.M.	F.F.	Y.	Sw.	S.P.	Y.
1M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
3M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
6M	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%
1Y	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%	11% - 11 1/2%

U.S. Backed Iraq Loan After Pledge to Buy Steel

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — The U.S. government guaranteed \$425 million of loans to help Iraq build an oil pipeline through Jordan, but only after Iraq revised the proposal to include large quantities of American steel pipe, according to Reagan administration officials.

The Export-Import Bank was initially opposed to giving financial guarantees for the pipeline because it believed that the Iraq war posed excessive financial risks, the officials said.

Those reservations were overcome when Iraq agreed to order about \$100 million worth of American steel pipe, which was not part of the original proposal, administration officials said.

The episode shows the role that steel politics is playing in this election year.

"You can bet this order is going to be played hard up and down the steel country," one Reagan official said.

The order represents about 10 percent of last year's total U.S. steel exports.

President Ronald Reagan has been under mounting pressure to give the steel industry further protection against imports this year, particularly after such protection was recommended last week by the U.S. International Trade Commission.

The Iraq transaction is the first in years that includes U.S. steel pipe in an overseas pipeline. Iraq's willingness to buy Amer-

ican steel rather than cheaper steel from West Germany, Japan or the Third World was taken as an indication of its desire for a stronger U.S. participation in the project. One administration official close to the negotiations suggested that the Iraqis sensed that the transaction might not go through otherwise.

Iraq had approached the London subsidiary of Bechtel Group Inc. last spring. The San Francisco-based engineering and consulting concern, which has strong links with the Reagan administration, is the prime contractor in the \$1-billion pipeline project.

Bechtel was headed by Secretary of State George P. Shultz before he came to Washington. Defense Secretary Casper W. Weinberger was vice president and general counsel for Bechtel before coming to the Pentagon.

After a long period of resistance, the board of the Ex-Im Bank voted on June 19 to guarantee 85 percent of \$500 million worth of commercial loans to cover U.S. supplies for the pipeline. Another \$500 million is expected to come from European sources.

The Ex-Im Bank provides direct credits and credit guarantees for overseas purchasers of U.S. products where there is, in the words of its charter, "a reasonable assurance of repayment." The charter also calls on the bank to promote exports of American goods.

An Ex-Im Bank public affairs officer declined to comment on what influences affected the bank's decision in the Iraq case.

But William E. Brock, the U.S. trade representative, said he was convinced that steel sales were a factor.

The U.S. pipe will be used in the construction of two-fifths of the 540-mile (870-kilometer) pipeline. It is intended to transport one million barrels of oil daily from oil fields north of Baghdad through Jordan to the Gulf of Aqaba, which gives Jordan and Israel access to the Red Sea. Plans are to have 500,000 barrels daily flowing within 18 months and to have the line completed in two years.

Bechtel said it expects to conclude negotiations with Iraq in London in the next few weeks and begin construction later this summer.

Al Donner, a spokesman for Bechtel, said, "We have gone out and talked to all the leading U.S.

HARRY WINSTON
of New York

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a selection of their rarest stones

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Cannes
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ARGENTINE REPUBLIC
EXTERNAL U.S.

Grains

Season	Open	High	Low	Close	Chg.
WHEAT (CBT)					
1984-85	130.00	130.50	130.00	130.25	+0.25
1985-86	131.00	131.50	131.00	131.25	+0.25
1986-87	132.00	132.50	132.00	132.25	+0.25
1987-88	133.00	133.50	133.00	133.25	+0.25
1988-89	134.00	134.50	134.00	134.25	+0.25
1989-90	135.00	135.50	135.00	135.25	+0.25
1990-91	136.00	136.50	136.00	136.25	+0.25
1991-92	137.00	137.50	137.00	137.25	+0.25
1992-93	138.00	138.50	138.00	138.25	+0.25
1993-94	139.00	139.50	139.00	139.25	+0.25
1994-95	140.00	140.50	140.00	140.25	+0.25
1995-96	141.00	141.50	141.00	141.25	+0.25
1996-97	142.00	142.50	142.00	142.25	+0.25
1997-98	143.00	143.50	143.00	143.25	+0.25
1998-99	144.00	144.50	144.00	144.25	+0.25
1999-00	145.00	145.50	145.00	145.25	+0.25
2000-01	146.00	146.50	146.00	146.25	+0.25
2001-02	147.00	147.50	147.00	147.25	+0.25
2002-03	148.00	148.50	148.00	148.25	+0.25
2003-04	149.00	149.50	149.00	149.25	+0.25
2004-05	150.00	150.50	150.00	150.25	+0.25
2005-06	151.00	151.50	151.00	151.25	+0.25
2006-07	152.00	152.50	152.00	152.25	+0.25
2007-08	153.00	153.50	153.00	153.25	+0.25
2008-09	154.00	154.50	154.00	154.25	+0.25
2009-10	155.00	155.50	155.00	155.25	+0.25
2010-11	156.00	156.50	156.00	156.25	+0.25
2011-12	157.00	157.50	157.00	157.25	+0.25
2012-13	158.00	158.50	158.00	158.25	+0.25
2013-14	159.00	159.50	159.00	159.25	+0.25
2014-15	160.00	160.50	160.00	160.25	+0.25
2015-16	161.00	161.50	161.00	161.25	+0.25
2016-17	162.00	162.50	162.00	162.25	+0.25
2017-18	163.00	163.50	163.00	163.25	+0.25
2018-19	164.00	164.50	164.00	164.25	+0.25
2019-20	165.00	165.50	165.00	165.25	+0.25
2020-21	166.00	166.50	166.00	166.25	+0.25
2021-22	167.00	167.50	167.00	167.25	+0.25
2022-23	168.00	168.50	168.00	168.25	+0.25
2023-24	169.00	169.50	169.00	169.25	+0.25
2024-25	170.00	170.50	170.00	170.25	+0.25
2025-26	171.00	171.50	171.00	171.25	+0.25
2026-27	172.00	172.50	172.00	172.25	+0.25
2027-28	173.00	173.50	173.00	173.25	+0.25
2028-29	174.00	174.50	174.00	174.25	+0.25
2029-30	175.00	175.50	175.00	175.25	+0.25
2030-31	176.00	176.50	176.00	176.25	+0.25
2031-32	177.00	177.50	177.00	177.25	+0.25
2032-33	178.00	178.50	178.00	178.25	+0.25
2033-34	179.00	179.50	179.00	179.25	+0.25
2034-35	180.00	180.50	180.00	180.25	+0.25
2035-36	181.00	181.50	181.00	181.25	+0.25
2036-37	182.00	182.50	182.00	182.25	+0.25
2037-38	183.00	183.50	183.00	183.25	+0.25
2038-39	184.00	184.50	184.00	184.25	+0.25
2039-40	185.00	185.50	185.00	185.25	+0.25
2040-41	186.00	186.50	186.00	186.25	+0.25
2041-42	187.00	187.50	187.00	187.25	+0.25
2042-43	188.00	188.50	188.00	188.25	+0.25
2043-44	189.00	189.50	189.00	189.25	+0.25
2044-45	190.00	190.50	190.00	190.25	+0.25
2045-46	191.00	191.50	191.00	191.25	+0.25
2046-47	192.00	192.50	192.00	192.25	+0.25
2047-48	193.00	193.50	193.00	193.25	+0.25
2048-49	194.00	194.50	194.00	194.25	+0.25
2049-50	195.00	195.50	195.00	195.25	+0.25
2050-51	196.00	196.50	196.00	196.25	+0.25
2051-52	197.00	197.50	197.00	197.25	+0.25
2052-53	198.00	198.50	198.00	198.25	+0.25
2053-54	199.00	199.50	199.00	199.25	+0.25
2054-55	200.00	200.50	200.00	200.25	+0.25
2055-56	201.00	201.50	201.00	201.25	+0.25
2056-57	202.00	202.50	202.00	202.25	+0.25
2057-58	203.00	203.50	203.00	203.25	+0.25
2058-59	204.00	204.50	204.00	204.25	+0.25
2059-60	205.00	205.50	205.00	205.25	+0.25
2060-61	206.00	206.50	206.00	206.25	+0.25
2061-62	207.00	207.50	207.00	207.25	+0.25
2062-63	208.00	208.50	208.00	208.25	+0.25
2063-64	209.00	209.50	209.00	209.25	+0.25
2064-65	210.00	210.50	210.00	210.25	+0.25
2065-66	211.00	211.50	211.00	211.25	+0.25
2066-67	212.00	212.50	212.00	212.25	+0.25
2067-68	213.00	213.50	213.00	213.25	+0.25
2068-69	214.00	214.50	214.00	214.25	+0.25
2069-70	215.00	215.50	215.00	215.25	+0.25
2070-71	216.00	216.50	216.00	216.25	+0.25
2071-72	217.00	217.50	217.00	217.25	+0.25
2072-73	218.00	218.50	218.00	218.25	+0.25
2073-74	219.00	219.50	219.00	219.25	+0.25
2074-75	220.00	220.50	220.00	220.25	+0.25
2075-76	221.00	221.50	221.00	221.25	+0.25
2076-77	222.00	222.50	222.00	222.25	+0.25
2077-78	223.00	223.50	223.00	223.25	+0.25
2078-79	224.00	224.50	224.00	224.25	+0.25
2079-80	225.00	225.50	225.00	225.25	+0.25
2080-81	226.00	226.50	226.00	226.25	+0.25
2081-82	227.00	227.50	227.00	227.25	+0.25
2082-83	228.00	228.50	228.00	228.25	+0.25
2083-84	229.00	229.50	229.00	229.25	+0.25
2084-85	230.00	230.50	230.00	230.25	+0.25
2085-86	231.00	231.50	231.00	231.25	+0.25
2086-87	232.00	232.50	232.00	232.25	+0.25
2087-88	233.00	233.50	233.00	233.25	+0.25
2088-89	234.00	234.50	234.00	234.25	+0.25
2089-90	235.00	235.50	235.00	235.25	+0.25
2090-91	236.00	236.50	236.00	236.25	+0.25
2091-92	237.00	237.50	237.00	237.25	+0.25
2092-93	238.00	238.50	238.00	238.25	+0.25
2093-94	239.00	239.50	239.00	239.25	+0.25
2094-95	240.00	240.50	240.00	240.25	+0.25
2095-96	241.00	241.50	241.00	241.25	+0.25
2096-97	242.00	242.50	242.00	242.25	+0.25
2097-98	243.00	243.50	243.00	243.25	+0.25
2098-99	244.00	244.50	244.00	244.25	+0.25
2099-00	245.00	245.50	245.00	245.25	+0.25
2100-01	246.00	246.50	246.00	246.25	+0.25
2101-02	247.00	247.50	247.00	247.25	+0.25
2102-03	248.00	248.50	248.00	248.25	+0.25
2103-04	249.00	249.50	249.00	249.25	+0.25
2104-05	250.00	250.50	250.00	250.25	+0.25
2105-06	251.00	251.50	251.00	251.25	+0.25
2106-07	252.00	252.50	252.00	252.25	+0.25
2107-08	253.00	253.50	253.00	253.25	+0.25
2108-09	254.00	254.50	254.00	254.25	+0.25
2109-10	255.00	255.50	255.00	255.25	+0.25
2110-11	256.00	256.50	256.00	256.25	+0.25
2111-12	257.00	257.50	257.00	257.25	+0.25
2112-13	258.00	258.50	258.00	258.25	+0.25
2113-14	259.00	259.50	259.00	259.25	+0.25
2114-15	260.00	260.50	260.00	260.25	+0.25
2115-16	261.00	261.50	261.00	261.25	+0.25
2116-17	262.00	262.50	262.00	262.25	+0.25
2117-18	263.00	263.50	263.00	263.25	+0.25
2118-19	264.00	264.50	264.00	264.25	+0.25
2119-20	265.00	265.50	265.00	265.25	+0.25
2120-21	266.00	266.50	266.00	266.25	+0.25
2121-22	267.00	267.50	267.00	267.25	+0.25
2122-23	268.00	268.50	268.00	268.25	+0.25
2123-24	269.00	269.50	269.00	269.25	+0.25
2124-25	270.00	270.50	270.00	270.25	+0.25
2125-26	271.00	271.50	271.00	271.25	+0.25
2126-27	272.00	272.50	272.00	272.25	+0.25
2127-28	273.00	273.50	273.00	273.25	+0.25
2128-29	274.00	274.50	274.00	274.25	+0.25
2129-30	275.00	275.50	275.00	275.25	+0.25
2130-31	276.00	276.50	276.00	276.25	+0.25
2131-32	277.00	277.50	277.00	277.25	+0.25
2132-33	278.00	278.50	278.00	278.25	+0.25
2133-34	279.00	279.50	279.00	279.25	+0.25
2134-35	280.00	280.50	280.00	280.25	+0.25
2135-36	281.00	281.50	281.00	281.25	+0.25
2136-37	282.00	282.50	282.00	282.25	+0.25
2137-38	283.00	283.50	283.00	283.25	+0.25
2138-39	284.00	284.50	284.00	284.25	+0.25
2139-40	285.00	285.50	285.00	285.25	+0.25
2140-41	286.00	286.50	286.00	286.25	+0.25
2141-42	287.00	287.50	287.00	287.25	+0.25
2142-43	288.00	288.50	288.00	288.25	+0.25
2143-44	289.00	289.50	289.00	289.25	+0.25
2144-45	290.00	290.50	290.00	290.25	+0.25
2145-46	291.00	291.50	291.00	291.25	+0.25
2146-47	292.00	292.50	292.00	292.25	+0.25
2147-48	293.00	293.50	293.00	293.25	+0.25
2148-49	294.00	294.50	294.00	294.25	+0.25
2149-50	295.00	295.50	295.00	295.25	+0.25
2150-51	296.00	296.50	296.00	296.25	+0.25
2151-52	297.00	297.50	297.00	297.25	+0.25
2152-53	298.00	298.50	298.00	298.25	+0.25
2153-54	299.00	299.50	299.00	299.25	+0.25
2154-55	300.00	300.50	300.00	300.25	+0.25
2155-56	3				

NASDAQ National Market Prices

July 16

DISCO
OF M

California, U.S.A.

\$1,000 (U.S.) PER UNIT
MINIMUM INVESTMENT \$5,000 (U.S.)

International Growing & Packing, Ltd. will own, farm, harvest, pack, and market navel and Valencia oranges grown on the Partnership's groves, as well as pack citrus and other fruits grown by others.

The Partnership plans to export approximately 30% of the first year's crop (crop from 44,000,000 to 137,500,000 oranges) and increase export each year thereafter.

1. Members of the Partnership are Dudley F.

Miller, Patrick Bastian and International Growing and Packaging, Inc., a California corporation.

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Favor de suplir información del expositor. Estamos interesados en aproximadamente _____ en metros cuadrados

☐ Favor de suplir información sobre el programa de la conferencia.

☐ Favor de suplir información para visitar

☐ Favor de informarme del progreso de la exposición

A TODOS LOS RESPONDIENTES.

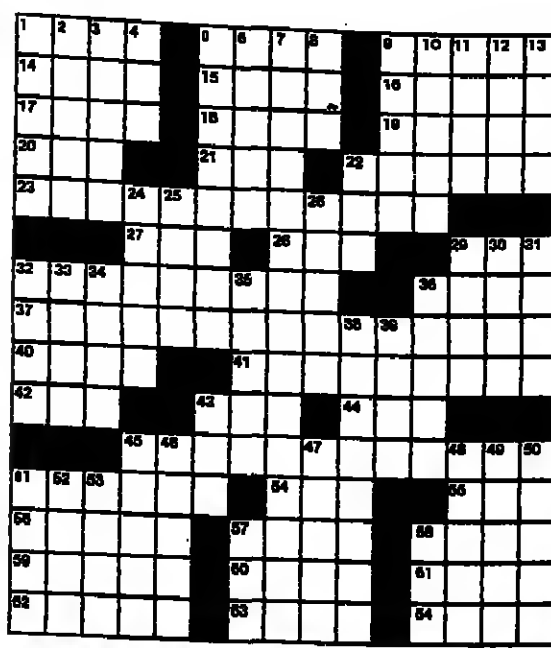
Favor de suplir la siguiente información Fecha _____

Nombre _____
 Teléfono _____
 Empresa _____
 Dirección _____
 Ciudad _____ Provincia _____
 País _____ Código Postal _____
 Firma _____
 Línea de Productos _____

**Desarrolle nuevas avenidas
de exportación hacia los Estados Unidos en**
AMÉRICAS/CHICAGO '84 26 De Agosto
El 29 De Agosto

**26 De Agosto Hasta
El 29 De Agosto De 1984**

Una exposición y conferencia industrial latinoamericana



ACROSS

1 Eatery
5 Identical
9 Utter
14 Body of knowledge
15 Soho buggie
16 Terra follower
17 Seed coat
18 Roomy vessels
19 Stage extension
20 "Not unusual,"
21 Turn Jones bit
22 Lake west of Shanghai
23 Current unit
24 Command to shake a leg
25 Bee: Comb form
26 U.K. time
27 Mar. follower
32 Mulish
36 Crucifix inscription
37 Accepting with good humor
40 "The fat" — the fire
41 Traps whiz
42 Half a score
43 European salamander
44 Refrain bit

DOWN

1 Allego
2 Ventricule
3 Gambol
4 Teleost fish
5 Having a tiff
6 Gobelin, e.g.
7 Exploiting
8 Little devil
9 Onyx source
10 Balzac's "to be"
12 Ending for comment
13 Batman's creator
14 Succeed
15 Use a darning egg
16 Bon (stylishness)
17 Antelope
18 Scissors case
19 Yours, to Yves
20 Show joy
21 Ragged
22 Large fishhook
23 Falcon feature
24 In (distracted)
25 Goidelic language
26 Allige
27 Ventricule
28 Gambol
29 Teleost fish
30 Having a tiff
31 Gobelin, e.g.
32 Exploiting
33 Little devil
34 Onyx source
35 Balzac's "to be"
36 Ending for comment
37 Batman's creator
38 Finding
39 Pucker, in sailmaking
40 Szechwan city
41 Meccan mogul
42 Freeze
43 Virtuosi
44 Rock fissure
45 Leave out
46 Diamond item
47 Start of a Dickens title
48 Moslem religion
49 Kind of dental X-ray
50 Rabbit (TV antennae)
51 Approves
52 Park, Edison's workplace
53 "As You Like It" site
54 Nerve: Prefix
55 Rose extract
56 Santa's "runways"
57 Gnat, e.g.
58 Diva: Glick
59 Sandbox toy
60 Tea anagram
61 Mature

© New York Times, edited by Eugene Malachuk.

DENNIS THE MENACE



"REMEMBER YOU WAS ONCE A KID LIKE ME, TOO!"

"NO ONE WAS EVER A KID LIKE YOU, DENNIS!"

JUMBLE

Unscramble these four jumbles, one letter in each square, to form four ordinary words.

LIEBE

YURLT

KEWRAH

EVITLY

Now arrange the circled letters to form the surprise answer, as suggested by the above caption.

Print answer here: _____

Yesterday's Jumble: BRAVE LOONY VASSAL PUMICE

Answer: What the poltergeist crook used when he held up the public library—A SILENCER

WEATHER

EUROPE HIGH LOW ASIA HIGH LOW

Algeria 32 38 F 13 15 C

Amsterdam 32 38 F 13 15 C

Antwerp 32 38 F 13 15 C

Berlin 32 38 F 13 15 C

Birmingham 32 38 F 13 15 C

Bombay 32 38 F 13 15 C

Buenos Aires 32 38 F 13 15 C

Calcutta 32 38 F 13 15 C

Canton 32 38 F 13 15 C

Chongqing 32 38 F 13 15 C

Cebu 32 38 F 13 15 C

Dacca 32 38 F 13 15 C

Dahomey 32 38 F 13 15 C

Dar es Salaam 32 38 F 13 15 C

Delhi 32 38 F 13 15 C

Dhaka 32 38 F 13 15 C

Durban 32 38 F 13 15 C

Harbin 32 38 F 13 15 C

Hong Kong 32 38 F 13 15 C

Kobe 32 38 F 13 15 C

Kuala Lumpur 32 38 F 13 15 C

Lagos 32 38 F 13 15 C

London 32 38 F 13 15 C

Lyons 32 38 F 13 15 C

Manila 32 38 F 13 15 C

Moscow 32 38 F 13 15 C

Mumbai 32 38 F 13 15 C

Nairobi 32 38 F 13 15 C

Peking 32 38 F 13 15 C

Rangoon 32 38 F 13 15 C

San Francisco 32 38 F 13 15 C

Singapore 32 38 F 13 15 C

Sourabaya 32 38 F 13 15 C

Tokyo 32 38 F 13 15 C

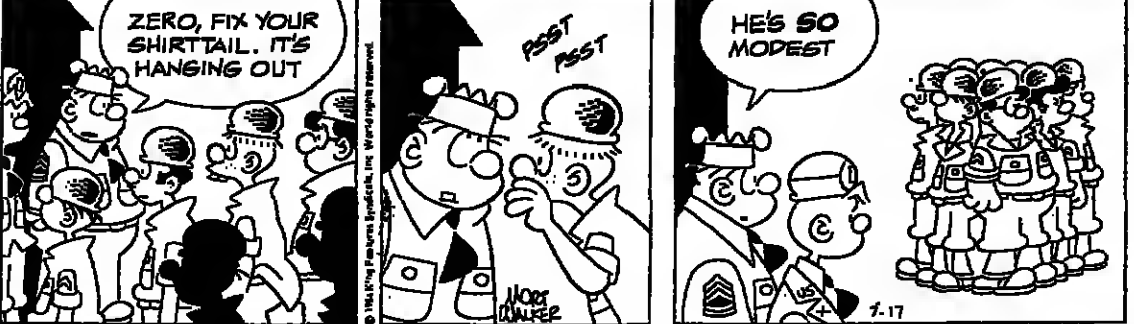
PEANUTS



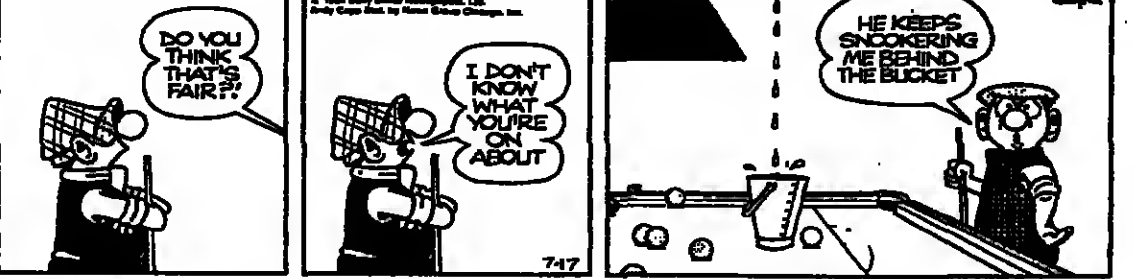
BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



Canadian Stock Markets

Prices in Canadian cents unless marked \$

Toronto

High Low Close

1000 A&P 32 38 35

2500 A&P 32 38 35

3000 A&P 32 38 35

4000 A&P 32 38 35

5000 A&P 32 38 35

6000 A&P 32 38 35

7000 A&P 32 38 35

8000 A&P 32 38 35

9000 A&P 32 38 35

10000 A&P 32 38 35

11000 A&P 32 38 35

12000 A&P 32 38 35

13000 A&P 32 38 35

14000 A&P 32 38 35

15000 A&P 32 38 35

16000 A&P 32 38 35

17000 A&P 32 38 35

18000 A&P 32 38 35

19000 A&P 32 38 35

20000 A&P 32 38 35

21000 A&P 32 38 35

22000 A&P 32 38 35

23000 A&P 32 38 35

24000 A&P 32 38 35

25000 A&P 32 38 35

26000 A&P 32 38 35

27000 A&P 32 38 35

28000 A&P 32 38 35

29000 A&P 32 38 35

30000 A&P 32 38 35

31000 A&P 32 38 35

32000 A&P 32 38 35

33000 A&P 32 38 35

34000 A&P 32 38 35

Amsterdam

Close Prev.

ABN 100 100

ACF 100 100

AGF 100 100

AKZ 100 100

ALM 100 100

AMEV 100 100

AMR 100 100

AND 100 100

ANG 100 100

ANL 100 100

ANR 100 100

ANS 100 100

ANT 100 100

ANV 100 100

ANW 100 100

ANX 100 100

ANY 100 100

ANZ 100 100

ANB 100 100

ANM 100 100

ANP 100 100

ANQ 100 100

ANR 100 100

ANS 100 100

ANT 100 100

ANV 100 100

ANW 100 100

ANX 100 100

ANY 100 100

ANZ 100 100

ANB 100 100

ANM 100 100

ANP 100 100

ANQ 100 100

ANR 100 100

ANS 100 100

Other Markets

July 16

Closing Prices in local currencies

Amsterdam

Close Prev.

ABN 100 100

ACF 100 100

AGF 100 100

AKZ 100 100

ALM 100 100

AMEV 100 100

AMR 100 100

AND 100 100

ANG 100 100

ANL 100 100

ANR 100 100

ANS 100 100

ANT 100 100

ANV 100 100

ANW 100 100

ANX 100 100

ANY 100 100

ANZ 100 100

ANB 100 100

ANM 100 100

ANP 100 100

ANQ 100 100

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BOOKS

HUBERT HUMPHREY:
A Biography

By Carl Solberg. 572 pp. \$19.95.
Norton, 500 Fifth Ave., New York, N.Y.
10110.

Reviewed by Eugene J. McCarthy

CARL SOLBERG has done a thorough job in collecting information and commentary on Hubert Humphrey, man and politician. It is evident that he has read what has been written about Humphrey by Humphrey himself and by others. He has included information gathered through the techniques of what is called "oral history," and has, according to the preface of the book, studied the Humphrey Papers, recently opened to the public by the Minnesota Historical Society. Out of all this has come a pedestrian book.

The book is substantively not very different from other books that have been written about Senator Humphrey, possibly because there was so little about the Humphrey career that was either private or secret. The public and the private man were much the same.

Although the positive achievements of Hubert Humphrey are noted — his legislative accomplishments (a little overstated), his special gifts as an orator, demonstrated most notably in his civil rights speech at the Democratic convention in Philadelphia in 1948, a speech which set the Democratic Party on a course which brought it despite delays and distractions to the passage of the Civil Rights Act of 1964 — the overall tone of the book is one of tragedy, marked by Humphrey's failures in his bid for the vice presidency in 1956, and his bid for the presidential nomination in 1960, and finally by his defeat by Richard Nixon in 1968.

Undoubtedly there were distressing, possibly tragic aspects to the Humphrey career, but these were largely offset by his successes and achievements, not fully or appreciatively noted in this book. The energy, time, and spirit that Humphrey gave to speeches are presented almost as though Humphrey was indulging in bad habit, when in fact it was in these speeches and through them that he may well have made his greatest contribution to the good of the commonwealth.

The tragic or near-tragic elements in Humphrey's life were two, both noted with sympathy by Solberg — one his continuing financial difficulties and the other the abusive treatment of him by Lyndon Johnson.



Hubert Humphrey

Humphrey's financial troubles began before he entered politics. They were problems common to most persons coming into adulthood in the Depression years. They continued on through most of his political life, and ended only in the years after the 1968 defeat. Running for the presidency was expensive, even in the '50s and '60s when politics was less costly. Humphrey, as the book points out, had no personal fortune, or wealthy relatives to draw on, and only a few persons who might have been called "large" or "reliable" contributors. Much of his support was sparse and marginal, and often from demanding contributors.

The author notes and describes the other tragic strain in the Humphrey career, that of his relationship with Lyndon Johnson, and the abuse he accepted as a part of that relationship, but leaves the reader with no better understanding of either why Johnson so abused Humphrey or of why Humphrey tolerated the abuse.

The book might better have ended without the last chapter entitled "The Man and His Legacy." It reads like something the editor or the publisher asked the author to include in the book.

Eugene J. McCarthy, who represented Minnesota in the United States Senate from 1958 to 1970, wrote this review for The Washington Post.

CHESS

By Robert Byrne

IN the Phillips & Drew International Tournament in London, Eugenio Torre, a 32-year-old Filipino grandmaster, had lost three games and won none by the 11th round. In last place, he was now paired with the world champion, Anatoli Karpov, of the Soviet Union. Torre had won from Karpov once before — in Manila 1976 — but the present victory must have provided a much-needed boost for his confidence.

In the Nimzo-Indian Defense, the old Rubinstein move, 5 N-K2, prevents doubled QBPs and circumvents the Huebner variation — 5 B-Q3, N-B3; 6 N-B3, BxNch; 7 PxB, P-Q3 — which is strong for Black.

The point of Black's system with 5... PxB, 6... O-O and 7... B-K2 is to permit White to seize space in the center with 8 P-Q5, which costs time that Black can use for counterplay.

On 9... R-K1, Black recently has been running into trouble from the gambit 10 P-Q6?; B-B1; 11 P-KN3 — for example, 1... R-K3; 12 B-K4, N-R4; 13 B-K3, R-P4; 14 Q-N3, N-QB3; 15 B-N2, P-QN3; 16 N-N5, R-K3; 17 N-N2-Q4, which yields White strong positional pressure for his pawn. Accordingly Karpov chose the alternative 9... B-B4, which lets White have the bishop pair at 10 P-Q4, B-N3; 11 N-R4, P-Q3; 12 N-B3, P-N3.



Position after 21... B-B4

Torre's transaction with 28 NxBP1, KxN; 29 Q-B3ch, N-K4; 29... K-B4?; 30 P-N4ch, KxP; 31 Q-K3mate; 30 P-N4, PxB ended material to head for an endgame victory.

Karpov sealed 45... KxP at adjournment, but aware that 46 KxP, K-B2; 47 K-B4, K-B3; 48 K-K3, K-K4; 49 R-P4, BxR; 50 KxB brings about a lost king-and-pawn ending, he gave up without resigning play.

The champion's 20... B-K2 was a waste of time and his 21... R-B7? weak. After 22 RxB, QxR (22... BxR?; 23 P-B4!, N-B5; 24 KxBch, PxB; 25 BxN, PxB; 26 Q-K3ch, Black a piece); 25 P-B4, it is unlikely that Black could survive.

Thus, Karpov chose to sacrifice the exchange with 23... N-N3; 24 BxN, PxB; 25 B-B3.

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